

TABLE OF CONTENTS

Glossary of Terms and Abbreviations

Organizational Overview

0.1	Basic Organizational Description.....	3
0.2	Customer and Stakeholder Requirements.....	6
0.3	Supplier and P2E2-Partnering Relationships.....	6
0.4	Competitive Situation	7
0.5	Strategic Context.....	7

1 Leadership

1.1	Organizational Leadership.....	8
1.2	Community Leadership	11

2 Planning for Continuous Environmental Improvement

2.1	Strategic Planning for Environmental Improvement.....	14
2.2	Action Planning	15
2.3	Integration and Implementation.....	16

3 Customer, Supplier, and Others Involvement

3.1	Customer Involvement.....	17
3.2	Supplier Involvement	19
3.3	Others Involvement	20

4 Information and Analysis

4.1	Information Collection Management.....	21
4.2	Analysis and Decision-Making.....	21

5 Employee Involvement

5.1	Employee Education and Skill Development.....	22
5.2	Employee Involvement	24
5.3	Employee Satisfaction, Value, and Well-being.....	26

6 Process Management

6.1	Process Characterization and Control.....	28
6.2	Process Improvement	29

7 Results

7.1	Environmental Results.....	30
7.2	Customer, Supplier, Employee and Other Results	36
7.3	Financial Results.....	45

**LOS ALAMOS NATIONAL LABORATORY
BUSINESS OPERATIONS DIVISION (BUS)**

GLOSSARY OF TERMS AND ABBREVIATIONS

AFI	Areas for Improvement
Appendix F & J	UC/DOE prime contract that provides performance measures to BUS Division in the areas of Financial Management, Property Management, and Procurement
BAO	Business Administration & Outreach
BUS	Business Operations Division, Los Alamos National Laboratory
CNG	Compressed Natural Gas
CQI	Continuous Quality Improvement
CRSA	Control Risk Self Assessment
CSM	Customer Satisfaction Management
DOE	Department of Energy
DOE/AL	Department of Energy/Albuquerque
DOE/LAAO	Department of Energy/Los Alamos Area Office
E-85	Ethanol and Gasoline
EDS	Employee Development System
EARN BUCS	Recognizes employees on-the-spot for their good work relative to safety and customer service.
ESH	Environment, Safety and Health Division, Los Alamos National Laboratory
ESO	Environmental Stewardship Office
FE	
FINPROS	Laboratory Financial Professionals
FY	Fiscal Year
FWO	Facility & Waste Operations Division, Los Alamos National Laboratory
GSA	General Services Administration
ISM	Integration Safety Management Program
JCNNM	Johnson Controls Northern New Mexico
JIT	Just-In-Time Vendors Program
K-12	Kindergarten through Twelfth-Grade
KSA	Knowledge, Skills, and Abilities
LANL	Los Alamos National Laboratory
LEEG	Laboratory Education Equipment Gift Program
LIR	Laboratory Implementation Requirement
LWC	Lost Workday Cases
MEMEP	Materials, Equipment, Methods, Environment, People
MS	Mail Stop
NNM	Northern New Mexico
P-D-C-A	Plan-Do-Check-Act
PDP	Personal Development Planning
QSO	Quality Support Office
QUEST	Quality Enhancement Simulation Training
RFQ	Requirement for Quote
S	Security & Safeguards Division, Los Alamos National Laboratory
SBO	Small Business Office
SCS	Safety Concerns System
TRI	Total Recordable Incidents
UC	University of California
VOC	Voice of the Customer
VOE	Voice of the Employee
VOS	Voice of the Stakeholder
WFP	Work Force Planning

ORGANIZATIONAL OVERVIEW

Basic Organizational Description: Los Alamos National Laboratory (LANL) is owned by the US Department of Energy (DOE) and is operated under Prime Contract by the University of California (UC). The Laboratory, our parent organization, specializes in research and development and serves the nation as one of three nuclear weapons laboratories within the DOE Complex. Business Operations Division (BUS) provides financial management, property, and procurement products and services to the Laboratory and is one of five support divisions. Other support divisions provide security, facilities engineering, computing and information management, human resources, and environment, safety and health services.

BUS enables LANL to achieve its mission (figure 0-1) by providing products and services for the entire Laboratory through these key business processes:

- Financial Management—Provide financial, accounting, and budgeting services that enable LANL managers to make effective financial decisions.
- Procurement—Provide acquisition and contractual services, including receiving and distribution services, that enable LANL managers to make needed procurements in support of programmatic objectives.
- Property Management—Provide cradle-to-grave management of physical resources, including fleet (government) vehicle management.

BUS Division's mission of customer-focused business services (figure 0-2) supports LANL's mission by continually improving, managing, and evaluating the financial, property, and procurement processes to ensure support of research and development technologies now and in the future.

Los Alamos National Laboratory Mission
<i>Reduce the global nuclear danger and ensure the safety and reliability of the nuclear weapons stockpile</i>
BUS Division Mission
<i>Provide customer-focused business services</i>

Figure 0-1 BUS' mission supports LANL's mission..

BUS Division Values
Integrity in all our dealings with peers, customers, and staff.
Excellence in safety, security, customer service, and communication.
Pride in our workmanship.
Respect for each other, the environment, and the diversity of our staff.

Figure 0-2 BUS values lead to our visions.

Because BUS is predominantly an office-type environment, we do not really have environmental compliance requirements. BUS performance requirements are shaped and evaluated by contractual requirements negotiated by DOE, UC, and LANL. These requirements, revised annually, are contained in Appendix F of the operating contract and provide a broad range of specific goals, measures, and evaluation criteria. BUS' primary responsibilities to the Laboratory, as described in Appendix F (see item 4.1), revolve around stewardship of financial, property, and procurement resources, products, and services rather than environmental excellence. Through compliance with Appendix F requirements (including DOE Orders, Federal Acquisition Regulations, and DOE Acquisition Regulations), DOE and UC (our stakeholders or interested parties) evaluate BUS Division performance in the areas of finance, property, and procurement.

Beyond Appendix F compliance and as a direct result of our values (figure 0-2), BUS has both an operational vision (figure 0-3) and an environmental vision (figure 0-4).

BUS Division Operational Vision
<i>Business Operations Division is the employer and organization of choice that provides innovative, high quality business services in support of the Laboratory</i>

Figure 0-3 BUS' Operation Vision supports our values.

BUS Division Environmental Vision
<ul style="list-style-type: none"> • Desire for a healthy and safe work environment • Desire to protect the environment • Desire to support the community • Desire to reduce costs

Figure 0-4 BUS' environmental vision support values.

Because BUS is a predominantly office-type environment, the waste streams we produce are mostly procured office supplies and equipment, paper products, mail, and cardboard. BUS' environmental vision (figure 0-4) focuses on two major objectives:

1. Ways that BUS, in partnership with our customers, employees, and suppliers, can reduce waste; and
2. Ways that BUS can create a healthy and safe work environment for our employees.

We recognize that by achieving our environmental vision we will be able to deliver services efficiently, reduce operating costs, and have more satisfied, more productive employees, while at the same time reducing waste generated by BUS to our community landfill. Our Environmental Management Cycle (figure 0-5) illustrates how our vision plus customer, supplier, and employee input, drives our business planning and action plans. Communication with customers, employees, suppliers, and stakeholders is critical to success and ensures we are all aligned and working toward the same objectives. BUS employee training ensures that critical skills and knowledge are imparted so that our employees can better serve our customers and contribute to achieving BUS objectives. Training also helps provide the means for BUS employees to take the initiative in ensuring their own safety and well being, both at work and at home. BUS continually strives to improve BUS processes in support of our environmental vision, business plan objectives, and Appendix F compliance. Results of BUS' efforts, whether related to process improvement, business plan performance, or Appendix F objectives, are reviewed regularly and communicated to customers, employees, and stakeholders.



Figure 0-5 BUS' environmental management cycle begins with our vision and ends with results.

LANL is composed of many divisions, including the Business Operations (BUS) Division. Each division has a director, optional deputy director(s), group leaders, and team leaders. BUS Division is organized into groups managed by group leaders. Each group is subdivided into teams based on the products and services it provides. Generally, the group leaders give guidance to the team leaders regarding what actions or objectives must be accomplished. It is then up to each team and individual to use good judgment and creativity to determine the most effective way to get the work done. Eight BUS groups, four BUS support teams, and the division office make up BUS Division (figure 0-6). BUS-1, -2, -3, and -8 contribute to the key process of financial management. BUS-4 provides materials management, and BUS-5 is responsible for procurement. BUS-6 is responsible for the property management process. BUS-7 (Information Management), the Quality Support Office (QSO), and Human Resources (HR) provide support processes.

BUS primarily delivers products and services in two ways: centralized or "core" financial management, property management, and procurement services; and decentralized or "field" financial, property, and procurement services via the distributed team model. The majority of BUS Division's 649 employees (the "core") are located in administrative office structures, with a large percentage working in the Otowi Building, a large office building in LANL's main technical area. Our distributed business teams are housed in customer facilities spread across the forty-three square miles of the Laboratory, co-located with our

LOS ALAMOS NATIONAL LABORATORY BUSINESS OPERATIONS DIVISION (BUS)

technical customers to better respond to and anticipate customer needs. Because BUS is not located in one building or location, communication technology, including email and an informative intranet, keep employees connected. This approach also helps BUS to minimize reliance on paper and to optimize use of electronic documents and web-based interfaces.

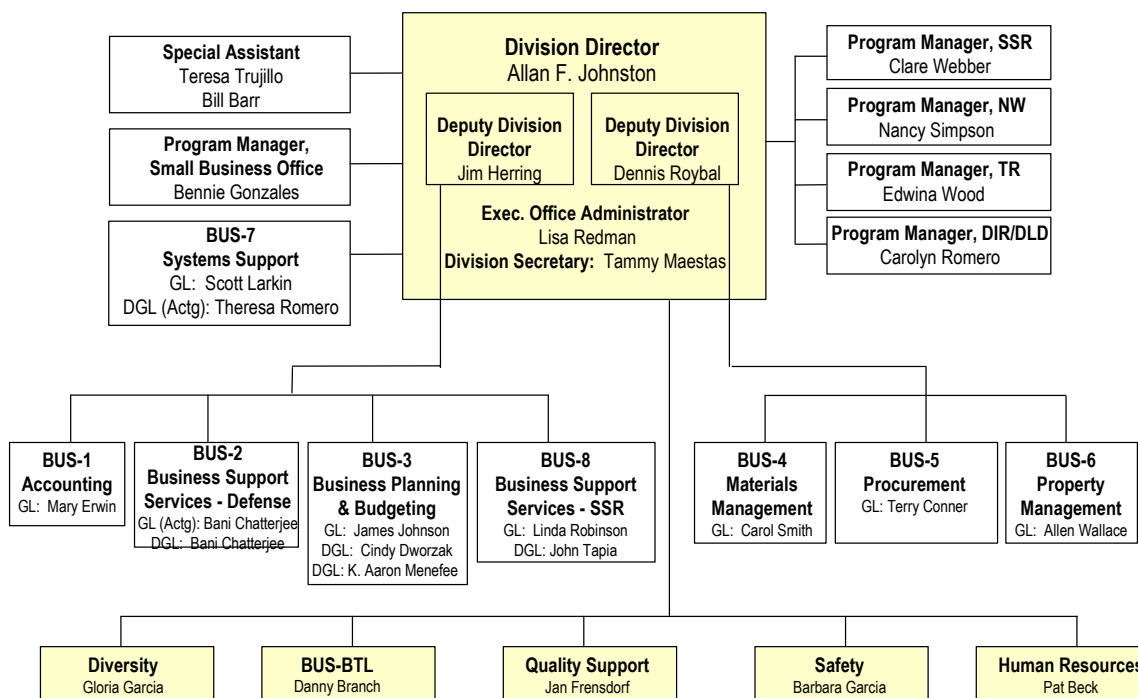


Figure 0-6 BUS Division organizational chart.

LANL employs approximately 8,600 workers. BUS Division employs 649 workers, or 7.6% of the total LANL workforce. In 2001, BUS employees will be responsible for managing the Laboratory's \$1.5 million budget, place \$1.1 billion in procurements, tracking 72,000 bar-coded pieces of government property, and delivering 14 million pieces of mail. Figure 0-7 shows the overall composition of the BUS workforce and Figure 0-8 shows the distribution of the BUS workforce across key functional processes. The BUS workforce comprises 61% female and 39% male employees. Educational levels range from no college to masters degrees as shown in Figure 0-9.

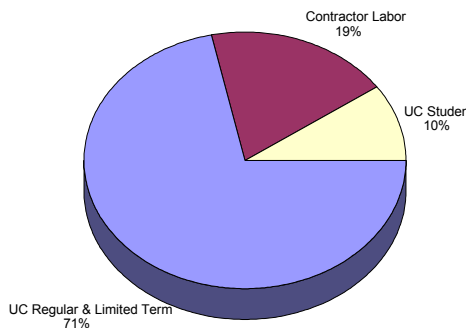


Figure 0-7
BUS' workforce
composition.

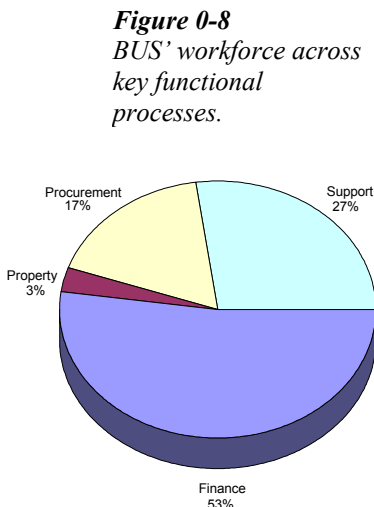


Figure 0-8
BUS' workforce across
key functional
processes.

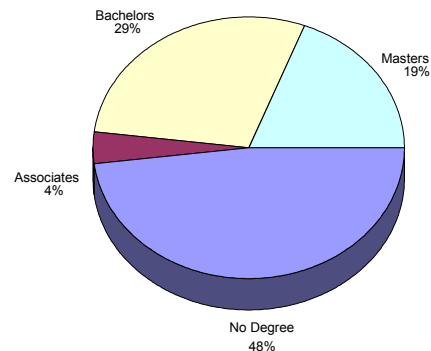


Figure 0-9
BUS' education levels.

**LOS ALAMOS NATIONAL LABORATORY
BUSINESS OPERATIONS DIVISION (BUS)**

BUS Division's major market is the technical programs and support divisions within LANL (our internal customers). Because BUS operations are viewed primarily as internal LANL support services, the primary customer requirement is process efficiency. Environmental expectations focus on worker safety and process efficiency. LANL ESO, ESH, and FWO divisions provide environmental support services, including environmental stewardship, safety related activities, and facility management and oversight. JCNNM collects BUS waste from recycling centers and deliver to the end user (Name Recycling).

Customer and Interested Party (Stakeholder) Requirements: BUS Division has identified three broad groups of customers:

- BUS Division employees;
- LANL customers, including technical programs and support divisions within the Laboratory; and
- Stakeholders (DOE-AL, DOE-LAAO, UC)

Each group of customers has different expectations of BUS. There is a limited demand or set of expectations for environmental excellence for BUS Division, as Table 0-1 shows. Because of the type of work performed by BUS Division, environmental expectations are limited. Those expectations do include a commitment to safe operations— especially ergonomics and overall reduction of injuries to the BUS workforce. However, customers and stakeholders are always interested in efficient processes and cost savings. BUS recognizes the need to minimize waste and maximize efficient use of resources as part of our day to day operations and in support of our environmental vision.

Customer Group	Expectations	Determined By
<ul style="list-style-type: none">• BUS employees	<ul style="list-style-type: none">• Safe and healthy work environment• Rewarding and recognizing contributions to achieving BUS objectives	<ul style="list-style-type: none">• Voice of the Employee (VOE)• Checkpoint Survey
<ul style="list-style-type: none">• LANL customers	<ul style="list-style-type: none">• Financial, property, and procurement decision support and stewardship of physical and fiscal resources in support of LANL programmatic needs• Safe operations• Efficient processes	<ul style="list-style-type: none">• Voice of the Customer (VOC)• Appendix F• LANL goals and strategic plan
<ul style="list-style-type: none">• Stakeholders (interested parties – UC/DOE)	<ul style="list-style-type: none">• Appendix F compliance and performance• Safe operations• Efficient processes	<ul style="list-style-type: none">• Appendix F• Voice of the Stakeholder (VOS)

Table 0-1 Customer group environmental expectations of BUS are limited.

BUS Division also uses a unique process to establish customer requirements and expectations and to measure customer satisfaction—Voice of the Customer (VOC). This process is also used to solicit feedback from employees (VOE) and stakeholders (VOS). In the VOC (VOE, VOS) processes, BUS managers conduct interviews with customers/employees/stakeholders to identify issues or areas of interest regarding BUS key processes and attributes. Themes from these interviews become questions in web-based surveys intended to validate key themes and collect importance/satisfaction perceptions from the customer segment. Analysis of survey results identifies the target groups' most important/ least satisfying issues, enabling BUS managers to understand and identify priorities and areas for improvement. Next, BUS leaders work together with representatives of the customer, stakeholder, or employee base to develop an action plan to deal with the issues. This often results in the formation of continuous quality improvement (CQI) teams. Ultimately the identified issues and themes become input to BUS's strategic business planning process.

Supplier and P2-Partnering Relationships: Over \$1 billion of LANL's \$1.45 billion operating budget is spent on the acquisition of goods and services necessary for operations. BUS Division is responsible for the oversight of these major subcontracts. The division's key suppliers are the approximately 40 vendors managed by the Just-In-Time (JIT) Program, which accounts for 71% of all procurement transactions annually, and the labor contract companies who provide nearly one-fifth of the BUS Division workforce. BUS Division manages all supplier relationships under terms of the supplier contracts and as demonstrated

LOS ALAMOS NATIONAL LABORATORY BUSINESS OPERATIONS DIVISION (BUS)

in the supplier process (item 3.2). BUS Division recognizes that key suppliers' performance directly affects the division and, therefore, clearly communicates quality expectations and performance requirements. Division representatives meet frequently and regularly with supplier representatives to evaluate performance and provide systematic, detailed feedback.

In many cases, these JIT product and labor contracts do not contain an environmental component. Where applicable, BUS procurement experts ensure that routine products, such as office supplies, conform to any applicable environmental provisions such as recycled content (see the Affirmative Procurement Process in 1.2).

One of the UC requirements for the Laboratory as outlined in Appendix F is to increase the number of suppliers from Northern New Mexico (NNM). BUS goes beyond the stakeholder requirements of including NNM suppliers in the process and has created and staffed a Small Business Office to focus on helping NNM businesses grow through relationships with LANL and other businesses.

Competitive Situation: Within the LANL organization, there are no direct competitors who can perform the traditional business operations work functions that BUS provides. BUS is a non-profit organization with a fixed market (LANL) and captive customers. Therefore, criteria that call for information regarding expanding markets, competitors, or developing new business or new customers is not applicable.

Strategic Context: The BUS Division philosophy of customer-focused business services combined with continuous improvement serves as the foundation for business strategy. Three key components of the program are developing the annual BUS business plan, the Customer Satisfaction Management (CSM) process, and Deming's Plan-Do-Check-Act (PDCA) model for process improvement (see Item 6.2). Various measures of customer satisfaction and process efficiency indicate that the division has made significant progress in this regard.

BUS Division is focusing on several environmental thrusts:

- recycling of unwanted mail through a process coordinated in BUS mail services;
- paper reduction through double-sided copying, use of recycled paper, and use of electronic documents;
- general recycling through increased emphasis on awareness programs and through establishing Recycling Centers throughout BUS (we are working with JCNNM which collects recycling from BUS and the entire Laboratory to find ways to measure BUS specific waste/recycling) ;
- energy efficiency through awareness and improved equipment purchases (including copiers that can provide two-sided printed documents and printer ink cartridges that can be refilled and reused). We are considering use of motion sensor light globes to automatically turn off equipment and lights when no movement is detected for greater than 30 minutes. BUS is also working with FWO and our facility/building managers to find a way to monitor BUS specific energy use in our offices/buildings. Currently, BUS shares building space with other divisions and each building does not have its own metering system and does not know who in the building uses what amount of electricity. Currently, electricity use is prorated by the number of square feet BUS occupies in each building. This amount is added to our space recharge (rent) on a monthly basis.

1 LEADERHIP

1.1 Organizational Leadership

BUS senior leaders' vision and commitment to continuous environmental improvement is demonstrated to employees, suppliers, customers, and stakeholders through the Environmental Management Cycle (figure 1.1-1). For a full explanation of the environmental management cycle, please refer to the Basic Organizational Description section in the Organizational Overview.



Figure 1.1-1 This figure illustrates how BUS senior leaders communicate and demonstrates its environmental vision and commitment to the environment.

Management supplies support for continuous environmental improvement and integrates it into our core business practices at all levels of BUS through the environmental management cycle, BUS Business Plan, and the BUS Division customer-supplier model (figure 1.2-2) including communication, training, and commitment to employee continuous quality improvement (CQI) teams. Components in each step in the environmental management cycle is expanded on below:

- Environmental Vision (Item 1.1)
 - Desire for a Healthy and Safe Work Environment
 - Desire to Protect the Environment
 - Desire to Support the Community
 - Desire to Reduce Costs
- BUS Business Plan Goals & Action Plans (Item 2.1)
 - Goal 1 Safety
 - Continue employee awareness and communication programs that promote safety as a value.
 - Enhance Integrated Safety Management Program.
 - Support Laboratory's Environmental Programs to improve compliance with environmental rules and reduce environmental impact of current operations.
 - Goal 2 Employee Satisfaction
 - Periodically assess and communicate employee survey results and management approaches (action plans) to address employee needs.
 - Reward and recognize employee performance in a timely manner.
 - Goal 3 Workforce Planning
 - Training development and implementation in support of the workforce plan.
 - Training implementation in support of the workforce plan.

**LOS ALAMOS NATIONAL LABORATORY
BUSINESS OPERATIONS DIVISION (BUS)**

- Goal 5 Community Outreach & Corporate Citizenship
 - InReach
 - OutReach
 - Volunteerism
- Communication & Awareness (Items 3 & 5, for a more detailed list of how we communicate, see table 1.1-1)
 - Meetings
 - One-on-ones
 - Communication Station Web-site
 - BUS Environmental Champions
 - Integrated Safety Management (ISM) Walkarounds
 - Personal Development Planning (PDP)
 - Safety Officer
 - Safety Concerns System (SCS)
 - Survey
 - Distributed Business Teams
- Employee Training (Item 5)
 - Ergonomics
 - Safety Committee
 - Laboratory Implementation Requirement (LIR) on-line summaries
 - Quality Enhancement Simulation Training (QUEST)
- Continuous Environmental Improvement (Item 6)
 - Plan-Do-Check-Act (P-D-C-A)
 - BUS Division customer-supplier model
 - Control Risk Assessment (CRSA)
- Review Results (Item 7)
 - Cost Savings
 - Achieve Goals
 - Better/Worse/Stay the Same

The BUS Quality Support Office (QSO) provides assistance to the division in the areas of management systems, improvement initiatives, training and customer focus. BUS' senior leaders understand that reducing waste and pollution through continuous improvement will result in increased efficiency and reduction of operating costs, as well as more productive employees.

Each BUS group develops its own plan to support the objectives of the BUS Division Business Plan. The goals in the plan as well as the individual group plans are then cascaded to employees who, with their managers, devise individual employee personal development plans (see figure 1.1-2). This process aligns individual needs and contributions with the declared direction of each group as well as that of the overall division and sets performance expectations from management to employees. As employees and their managers work together to identify how they will contribute to group and division Business Plan goals, the need for new skills and competencies is identified and a development plan is created. It then becomes the responsibility of the BUS managers to supply the resources – time, money, and support – to enable and encourage employees to accomplish their development plans.



Figure 1.1-2
The Personal Development Planning (PDP) Process.

BUS management assures continuous environmental improvement is incorporated into strategic plans, action plans, and performance measures and reviews and communicates results through the business planning process (figure 2.1-1). Management reviews business plan tactic team (action team) results on a quarterly basis, publishing goal updates to all employees via email and on Communication Station (BUS web site communication page), see item 5.2. We track improved customer, employee, and stakeholder perceptions through VOE, Checkpoint/Worker Environment Survey, VOC, and VOS surveys annually and use distributed business teams (figure 3.1-3) to monitor day-to-day progress.

The division director and two deputies, eight group leaders, and four deputy group leaders make up the senior leadership team, the BUS Division Council. The BUS Division Council sets organizational direction at biannual business planning sessions (figure 2.1-1). These sessions include a review of data and evaluation of past performance, including safety and environmental performance. The division's strategic goals, action plans, and targets derive from the needs and expectations of all key customer groups as determined from LANL goals Appendix F contractual performance measures, and BUS Division VOC and VOE program results. Council members communicate goals and action plans to employees through team, group, and quarterly all-hands meetings. In addition, the BUS Division management team reviews goals and performance at all biweekly Division Council meetings.

In addition, BUS Division has appointed a Safety officer whose duties are to coordinate decision activities in this area and to bring relevant issues to the biweekly meetings of BUS managers. The division ESH Officer also makes presentations at all-hands meetings.

Method of Proactive Communication	Frequency	Customer Input / Information Collected or Disseminated
Meetings		
• Laboratory Information Meeting	Weekly	• Division Directorate and Laboratory management issues – internal customer requirements
• All Managers Meetings	Monthly	• Division Directorate and Laboratory management issues – internal customer requirements
• BUS Coordination Council	Weekly	• Coordinates, identifies, and addresses issues concerning financial field and core
• Laboratory Financial Professionals (FINPROS)	Monthly	• Financial analysts and budget personnel share best practices, information, obstacles, opportunities & tools
• BUS Division Council Meeting	Bi-annual	• Senior Leaders set organizational direction
• BUS All-Hands Meeting	Bi-annual	• Two-way division management and BUS employee communication on division-wide

**LOS ALAMOS NATIONAL LABORATORY
BUSINESS OPERATIONS DIVISION (BUS)**

<ul style="list-style-type: none"> • DOE/AL & DOE/LAAO • Group/Team meetings 	<p>On-going</p> <p>Weekly, or as needed</p>	<p>issues</p> <ul style="list-style-type: none"> • Stakeholder customer group preferences and needs • Two-way group management and BUS employee communication on group and team issues
One-on-ones for Performance Development Plans	On-going	<ul style="list-style-type: none"> • Continuous feedback between BUS individual employees and managers to maintain alignment with changing group, team, and division goals
“Suggestion Box”	On-going	<ul style="list-style-type: none"> • Customer group suggestions and concerns (on BUS web pages)
Communication Station	On-going	<ul style="list-style-type: none"> • Employee group suggestions and concerns (on BUS web page)
LIR Summary Pages	On-going	<ul style="list-style-type: none"> • Lab-wide safety requirements s they apply specifically to BUS employees; increases awareness
Did You Knows...	On-going	<ul style="list-style-type: none"> • P2E2 awareness campaign
Poster Sessions	On-going	<ul style="list-style-type: none"> • P2E2 awareness campaign
Vendor performance reviews		<ul style="list-style-type: none"> • BUS procurement personnel ensure vendor performance is aligned with BUD goals and requirements (e.g. affirmative procurement).
Safety Web Page	On-going	<ul style="list-style-type: none"> • Safety and P2E2 awareness
Safety bulletin board	On-going	<ul style="list-style-type: none"> • Safety and P2E2 awareness
BUS Environmental Champions	On-going	<ul style="list-style-type: none"> • P2E2 awareness and process improvement

Table 1.1-1 *BUS management gains support for improving environmental performance through communication to increase awareness.*

1.2 Community Leadership

Although BUS Division is a focal point with the local community related to procurement issues, the division has minimal interaction with the public related to environmental issues. However, based on our environmental vision (see item 1.1), BUS provides support of community environmental issues and needs in several ways:

1. Northern New Mexico (NNM) economic development through our procurement Small Business Office (SBO).
2. Affirmative Procurement (through Just-In-Time (JIT) vendors).
3. Reduction of waste to the Los Alamos Landfill (through the customer-supplier model, figure 1.2-2).

BUS participates in local economic development primarily through SBO outreach, mentoring, and training activities for vendors within the local economy. SBO offers many activities and programs to assist and maximize procurement opportunities in the local NNM communities and with small, women-owned, and economically disadvantaged businesses as shown below:

- Sponsors and conducts outreach activities for networking purposes;
- Participates in the Northern New Mexico Procurement Advisory Council;
- Develops partnerships with various organizations to promote economic development;
- Maintains an extensive database including information on New Mexico suppliers and LANL buyers;
- Provides information to Laboratory buyers and end users on the importance of the small business program.

SBO also conducts workshops on how to do business with the Laboratory, on-site safety information, and procurement policies and procedures. SBO formed the NNM Supplier Alliance to increase business opportunities for local and regional suppliers to meet LANL's procurement and outsourcing needs. The alliance members meet monthly to learn more about upcoming procurement opportunities, to participate in training skill development, to procure larger contracts through industry consortia and to increase profits

through networking. Procurement personnel from BUS are currently educating the alliance and other businesses about the process of bidding and proposal preparation for Just-in-Time subcontracts.

BUS Division sets affirmative procurement goals such as buying “green” products or products with recycled content through its purchasing decisions (figure 1.2-1).

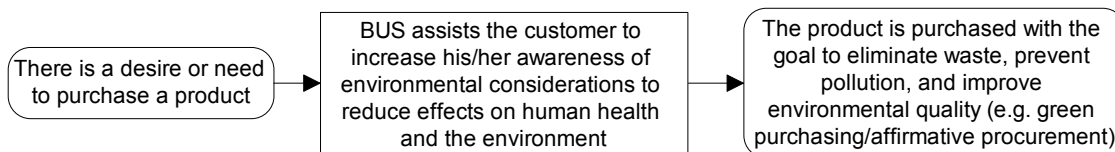


Figure 1.2-1 *How BUS Division sets affirmative procurement goals through purchasing decisions.* The division tracks performance in regards to the purchase of environmentally friendly products and items with recycled content (see figure 7.1-6 for results).

BUS uses its affirmative procurement goals to support local businesses by facilitating the NNM (counties of Taos, Santa Fe, Rio Arriba, Sandoval, Mora, San Miguel, and Los Alamos, including the Pueblos that contributes to the economy of NNM) supplier’s efforts to obtain recycled-content items (see Table 7.2-17 for results).

As part of BUS’ environmental vision, we want to protect the environment. The Los Alamos County Landfill needs to reduce the amount of waste it receives. Therefore, BUS uses the customer-supplier model (figure 1.2-2) in our day-to-day operations to develop proactive ways to reduce BUS waste. BUS looks at the input to our process (through suppliers) and within the components of our key processes, MEMEP, to find ways to reuse and recycle the waste streams we produce (see table 2.1-1). We have implemented numerous continuous environmental improvement initiatives (table 2.1-1) to ensure we build environmental friendliness into our processes or have developed ways to reuse the outputs from our processes (e.g. paper, equipment, etc.) either within BUS or by giving to the community, thus avoiding sending waste to the Landfill. See table 2.1-1 for addition information.

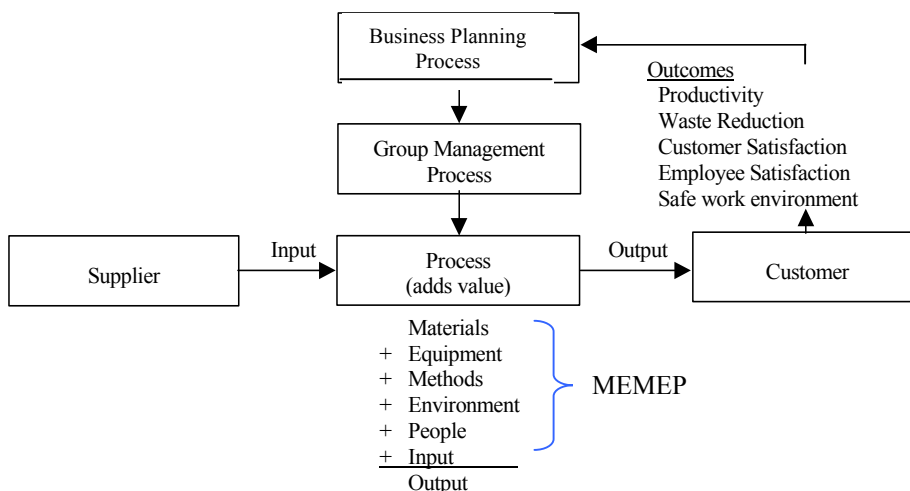


Figure 1.2-2 *The BUS Division customer-supplier model.*

BUS Division's most successful environmental initiative, Mail Stop A1000, is an effort to recycle unwanted junk mail and other printed material. LANL employees re-address unwanted mail to MS A1000 and mail delivery personnel from BUS-4 collect and sort the material as part of their normal mailroom activities. In 1999 the program recycled over 204 metric tons of material (see figure 7.1-10). This program has received wide publicity both inside and outside LANL and has received a White House 2000 Closing the Circle Award. The Closing the Circle Program, now in its fifth year, recognizes federal employees and their facilities for efforts that result in significant positive impacts on the environment in waste prevention,

**LOS ALAMOS NATIONAL LABORATORY
BUSINESS OPERATIONS DIVISION (BUS)**


recycling, affirmative procurement (purchasing recycled products), environmental preferability, model facility demonstrations, and sowing the seeds for change.

BUS also continues to demonstrate BUS Division's commitment to corporate citizenship in NNM by increasing math and science K-12 giving (giving of excess equipment to schools), including the Laboratory Education Equipment Gift Program (LEEG) (see figure 7.1-14). LEEG was implemented March 2000. The program allows gifting to educational institutions and non-profit organizations for technical and scientific education and research. The significant difference between the two programs is that the LEEG gives BUS the authority to gift to post-secondary schools and non-profit organizations and does not eliminate the gifting to K-12 schools.

2 PLANNING FOR CONTINUOUS ENVIRONMENTAL IMPROVEMENT

2.1 Strategic Planning for Environmental Improvement

BUS' Environmental Management Cycle (figure 1.1-1) begins with our environmental vision and ends with results. Employee, customer, and stakeholder feedback (see table 3.1-1) is used both to evaluate current process effectiveness and to set strategic direction for the division. In our day-to-day operations, BUS develops and implements strategies (initiatives) to reduce waste and create a healthy and safe work environment through our continuous environmental improvement process (figure 6.2-1). Table 2.1-1 describes how BUS' environmental vision and environmental management cycle ensures environmental sustainability of our processes in day-to-day operations. Table 4.1-1 also shows how our environmental vision and environmental management system drive our BUS Plan goals and action plans and lead to results.



Environmental Vision	Key Processes	Continuous Environmental Improvement Initiatives (actions)	Results
<ul style="list-style-type: none"> • Desire to Protect the Environment: reduce waste • Desire to Reduce Costs 	<p>All BUS Processes</p> <p>Procurement</p> <p>Property</p>	<ul style="list-style-type: none"> • Recycling centers • Two-sided copying • Paperless business (email/Web) • Mail Stop A1000 (recycle of all junk mail) • Reuse of printer cartridges • Just-in-time procurement • Affirmative procurement (buying "green") • Excess and Salvage • Fleet vehicle initiative (find alternative fuel vehicles, including CNG and electric) 	See Item 7
<ul style="list-style-type: none"> • Desire to Support the Community 	<p>Procurement</p> <p>Property</p>	<ul style="list-style-type: none"> • BUS Small Business Office (SBO) outreach activities • Preference to Northern New Mexico (NNM) businesses • K-12 program (giving of excess equipment to schools) • LEEG program 	
<ul style="list-style-type: none"> • Desire for a healthy and safe work environment 		<ul style="list-style-type: none"> • Integrated Safety Management (ISM) walk-around program • Safety Concern System (SCS) • Ergonomic training • BUS training web page • Laboratory Implementing Requirements (LIR) summary pages • BUS Ergonomics and Safety committees 	

Table 2.1-1 How BUS' environmental vision and environmental management cycle ensures environmental sustainability of our processes.

Because BUS is predominantly an office-type environment, the waste streams we produce are mostly procured office supplies and equipment, paper products, mail, and cardboard. BUS' environmental vision is focused on two major things: 1- Ways that BUS, in partnership with our customers, employees, and suppliers, can reduce waste and 2- Ways that BUS can create a healthy and safe work environment for our employees. We recognize that by achieving our environmental vision we will be able to deliver services

efficiently, reduce operating costs, and have happier, more productive employees, while at the same time reducing waste generated to our community landfill (see item 1.2).

We strengthen our business performance through our Business Planning Process (figure 2.1-1). BUS sets strategic direction by using input from employees, customers, and stakeholders in the process. The BUS Division Council develops the business plan, appoints council members to champion the goals, then deploys teams of employees to improve in the goal areas. BUS goals also align with those of the Laboratory. We take into account customer and market expectations by focusing our annual business plan goals and action plans on our UC Appendix F performance measures, the LANL Tactical Plan, and survey results from Voice of the Employee (VOE), the Checkpoint Survey, the Safety Survey, and Voice of the Customer (VOC). Including our distributed business teams (figure 3.1-3) in the planning exercises provides current information on customer priorities and expectations from their daily direct interactions and gives us ideas for new opportunities from the field. The BUS Business Plan is reviewed twice annually and updated once each year to assure the division is on course with customer expectations.

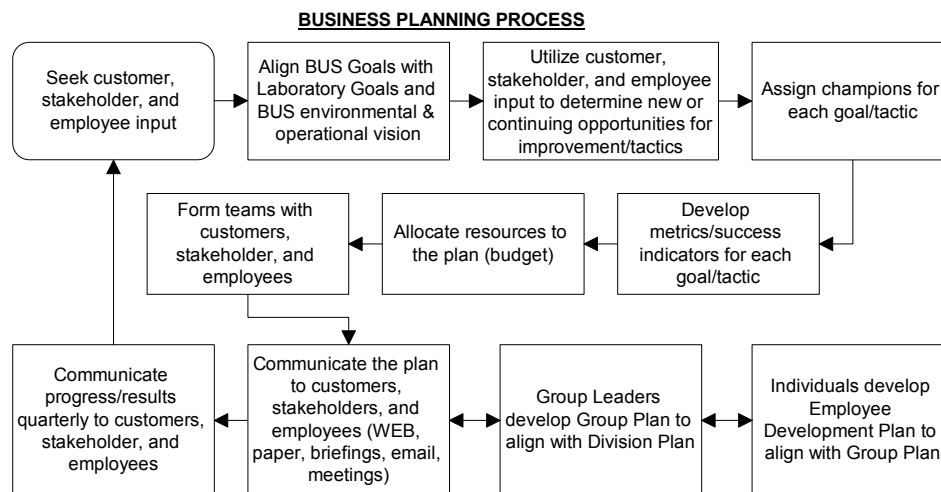


Figure 2.1-1 *BUS sets strategic direction by using input from employees, customers, and stakeholders to establish priorities and to accomplish our mission to deliver “customer-focused business services.”*

Through our survey and Appendix F processes (figure 3.3-1), we understand how our employees, customers, and stakeholders see us, and what we need to do to improve our internal processes to improve and create value for our customers. In addition, through senior leaders’ contract negotiations and assessments with our DOE and UC stakeholders, we get a clear perspective on how our stakeholders view our performance.

2.2 Action Planning

After identifying goals, the BUS Division Council names champions and devises actions, targets, and measurements of success. Most of the action plans are deployed by establishing teams of employees, customers, and stakeholders. Figure 2.1-2 shows the BUS process for developing action plans. Goal champions serve as a resource for teams and report progress to the BUS Division Council quarterly.

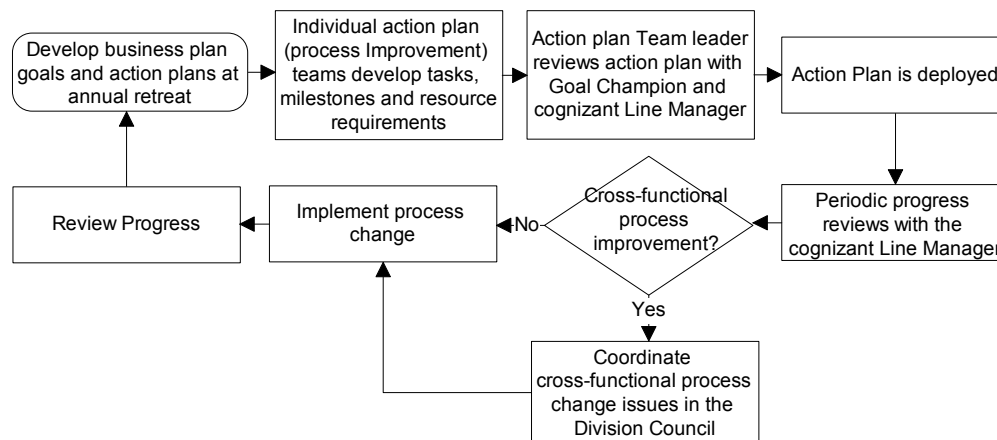


Figure 2.1-2 BUS Division's process for deploying and tracking action plans.

BUS Division uses a formal CQI process to evaluate and improve its operations. Teams, which are tasked with identifying and implementing efficiency improvements, use a formal process (P-D-C-A, figure 6.2-1) and associated improvement methodology and tools (see item 6.2). Senior leaders charter the teams and track their progress on a regular basis. Results are incorporated into performance measures as part of gradient expectations. Finally, development of clear strategic and action plans allows for full integration of performance requirements for each individual BUS employee (see figure 1.1-2). Objectives for each employee are designed to ensure that the organizational objectives are met and that the employee has a clear view of how his or her work requirements contribute to the success of the entire organization.

Figure 6.2-1 describes the method (P-D-C-A) by which key division processes are analyzed and improved. These improvement efforts include action plans, which are regularly reported to management and tracked for successful completion.

2.3 Integration and Implementation

Within BUS Division, the Quality Support Office (QSO) facilitates the multiple process improvement teams ongoing throughout BUS Division and tracks progress of the initiatives. Senior leaders formally review action plan progress and results quarterly to ensure the division is making appropriate progress and report this progress to employees, customers, and stakeholders through a variety of methods including group meetings and BUS all-hands meetings (see table 1.1-1). Quarterly Appendix F reviews document BUS Division performance, as does the final year-end assessment.

The business planning process (figure 2.1-1) allows managers to closely tie both strategic and tactical activities to budget submissions and to plan for most effective movement of BUS staff to meet requirements. Priorities established in the business plan become the drivers in resource allocation in the budget process. The distributed business teams (figure 3.1-3) also drive human resource allocations. The flow of distributed personnel serving among individual technical divisions (customers) is driven by customer needs and requirements. The quarterly reviews allow managers to track resource allocations and to make any necessary adjustments to either funding or human resource allocations.

3 CUSTOMER, SUPPLIER, & OTHERS INVOLVEMENT

3.1 Customer Involvement

BUS defines customers, both internal and external, as individuals or organizations for which the Division provides business services. BUS comes to understand and anticipate customer needs using the data collected from VOC (figure 3.1-1). In VOC, customer importance and satisfaction responses to Web (Internet) survey questions result in the creation of an importance and satisfaction matrix, or opportunity map. Complaints, either comments from the survey or direct communication from customers to business team members, are also taken into account. Together with our customers, we develop an action plan to address issues of high importance and low satisfaction. Teams may select from formalized tools such as process improvement, benchmarking, or process reengineering. Teams include customers, suppliers, and process owners and follow the P-D-C-A method of process improvement (figure 6.2-1).

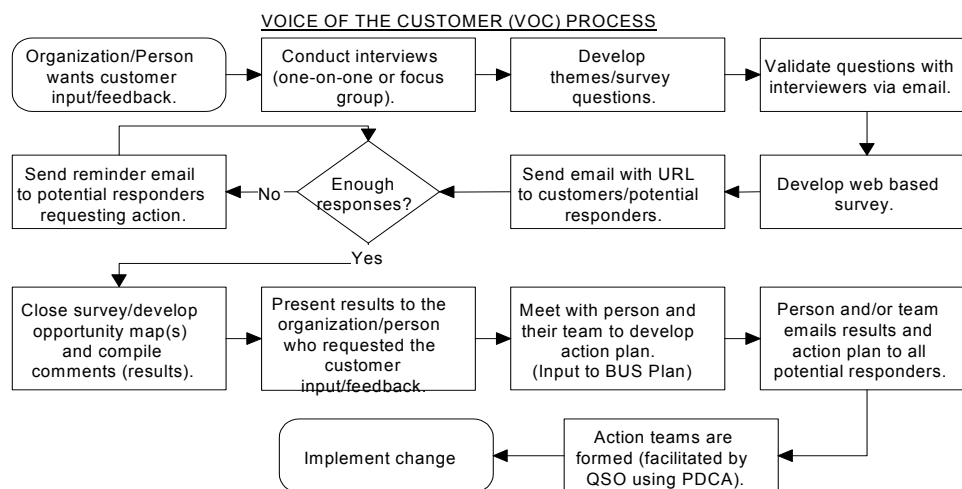


Figure 3.1-1 Voice of the Customer (VOC/VOE/VOS) Process.

The Customer Satisfaction Management (CSM) process (see figure 3.1-2) describes BUS' primary approach to determining customer requirements, taking action to improve customer satisfaction, and closing the loop with the customer. The CSM process focuses on the products and services we provide to our customers and the satisfaction with these products and services as perceived by our customers. The CSM process represents BUS' commitment to customer-focused, value-added products and services.

At the core of the CSM is the VOC process in figure 3.1-2. The objective of VOC is to:

- baseline customer satisfaction with our current services;
- capture and validate an understanding of customer wants, needs, expectations, and priorities;
- improve communication with customers;
- close the loop on how priorities will be addressed (identify action plans).

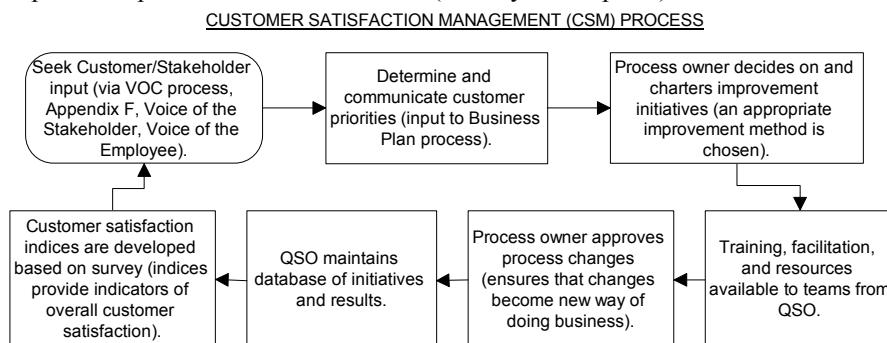


Figure 3.1-2 The BUS CSM model begins with the VOC process, establishes action plans, and measures results before beginning another annual cycle.

**LOS ALAMOS NATIONAL LABORATORY
BUSINESS OPERATIONS DIVISION (BUS)**

BUS continually seeks input and information from customers, employees, and stakeholders via a variety of methods (see table 3.1-1). BUS uses these methods to understand how our customers see us, and what we need to do to improve our processes to create more value for our customer groups.

Method for Soliciting Customer Feedback	Customer Groups
<ul style="list-style-type: none"> Voice of the Customer process (VOC, VOS, VOE) 	<ul style="list-style-type: none"> Internal LANL customer group (VOC) Internal BUS employee customer group (VOE) External UC/DOE stakeholder (other interested parties) customer group (VOS)
<ul style="list-style-type: none"> Appendix F process, requirements, and results 	<ul style="list-style-type: none"> External UC/DOE stakeholder customer group
<ul style="list-style-type: none"> BUS Distributed Business Teams 	<ul style="list-style-type: none"> Internal LANL customer group
<ul style="list-style-type: none"> LANL Checkpoint Survey 	<ul style="list-style-type: none"> Internal BUS employee customer group
<ul style="list-style-type: none"> Safety Survey 	<ul style="list-style-type: none"> Internal BUS employee customer group

Table 3.1-1 *BUS Primary Methods to Seek Internal and External Customer Input/Information and assess customer needs.*

BUS communicates with customer groups (employees, stakeholders, customers) regarding continuous improvement, including environmental improvement and successes and challenges in improving all BUS processes primarily via the methods described in table 1.1-1.

Employees — BUS Division determines longer-term requirements, expectations, and preferences of our target customers through a number of processes, as outlined in table 3.1-1. From our employee customers, the BUS Division Council uses information from our annual Voice of the Employee to charter action plans that increase employee satisfaction (Goal 2). Another source of employee input is the annual LANL Checkpoint Survey, which measures employee perceptions about their group, division, and Laboratory in ten categories (see figures 7.1-11, 7.1-12, & 7.2-13). The employee safety survey results help BUS leaders develop action plans for our Safety Goal 1, which is a requirement of our stakeholder and a preference of employees.

Customers — Our primary approach to determining customer satisfaction with our key processes—finance, procurement, and property, as well as our business team support—is the Voice of the Customer process (figure 3.1-1). In FY 1994, BUS implemented the distributed business team model (figure 3.1-3) as a method for determining short-term customer requirements as well as an effective way to enhance and build customer relationships. Customers can provide feedback directly to our distributed business teams in programs and divisions throughout the Laboratory on a daily, ongoing basis. Employees are also given opportunity to comment about customer needs in the VOE surveys.

During the Business Planning Process (figure 2.1-1), the BUS Division Council reviews VOC, VOS, VOE, Checkpoint Survey, and Environmental Survey results to develop customer focused business plan goals and action plans, thus establishing near and long-term goals. Ultimately, we address customer and our environmental vision in the eight BUS Business Plan goals as specific action plans.

BUS encourages customers to exercise effective product stewardship through our Distributed Business Team Model (figure 3.1-3). While BUS determines longer-term internal LANL customer requirements, expectations, preferences, and levels of satisfaction using the VOC process, short-term internal LANL customer needs and satisfaction are determined via the BUS Distributed Business Teams, who are co-located with our LANL internal customers. The Business Teams, which comprise financial, property, and procurement personnel as requested by the customer, liaison between their host organizations (LANL internal customers) and the BUS core organization. The Business Teams provide real-time information that allows BUS to assess and make day-to-day operational decisions in response to changing customer needs, requirements, and preferences. BUS property, procurement, and finance employees work directly with customers to manage their budgets, to manage their government property, to make necessary purchases, and to make prudent business decisions. For example, we influence our customers' purchasing decisions through our paperless JIT ordering system that enforces affirmative procurement and cost effective

purchasing. As equipment reaches the end of its life cycle, BUS property personnel work with customers to ensure that most of the equipment will not end up as waste. Encouraging our employees and customers to “excess” items that can be reused or refurbished for use by other LANL organizations through our online

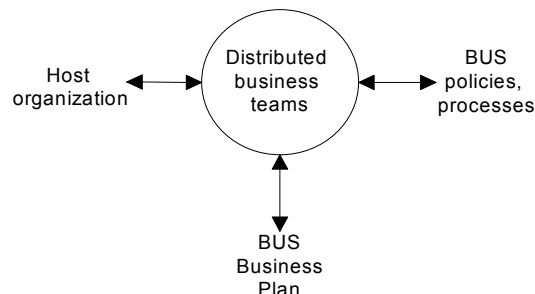


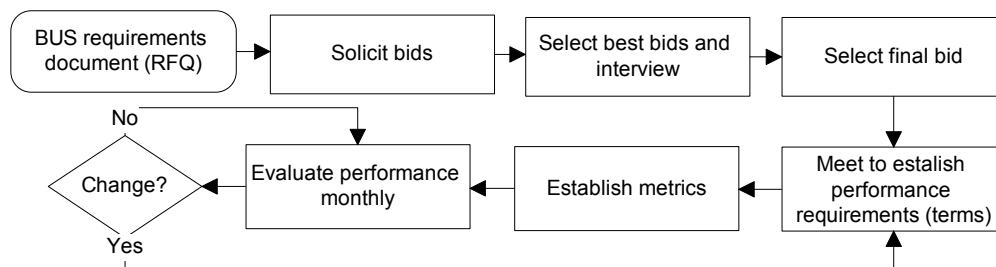
Figure 3.1-3
Illustrates the Distributed Business Team Model.

“Swap Shop” or through monthly sales to the community for their use.

We also build relationships and exercise effective product stewardship with customers and stakeholders by including them in process improvement efforts, such as the P-D-C-A-based CQI teams. As these BUS-sponsored teams work to improve BUS services or service attributes identified by customers as important but not satisfactory, customer satisfaction increases. By conducting VOC surveys annually, our customers look to the survey as a way to be heard and to get results. BUS QSO analyzes the movement of data points year over year in the direction of increased or decreased satisfaction to determine where to improve current offerings and to support customer-related planning. This analysis is provided to the Business Planning Process (figure 2.1-1) and used to update business plan goals and action plans.

3.2 Supplier Involvement

Although most product/service purchases are coordinated through BUS Division, procurement personnel rely on the LANL organization requesting the services or products to specify requirements, including environmental considerations. Specific supplier (vendor) requirements are defined for each supplier in a customized contract that is negotiated, implemented, managed, and evaluated by BUS procurement personnel (supplier management process, figure 3.2-1), including JIT vendors. When data suggests that a change to the supplier's process be made, teams work with the supplier to improve its process using P-D-C-A (figure 6.2-1). BUS Division is also responsible for evaluating the overall performance of suppliers, as



specified in Appendix F.

Figure 3.2-1 *The supplier management process.*

BUS actively works with vendors to improve their performance within the context of continuous environmental improvement in the same way we do with our own processes (P-D-C-A). For example, a team of BUS procurement employees noted that Boise Cascade shipped each individual line item of a single order in separate brown bags. This resulted in multiple packages to be delivered to the same requester, but also in multiple brown bags for each item. The CQI team worked with Boise Cascade to package all items from a single order in one brown bag. Boise Cascade has taken our process improvement one step further, and is using the original packaging from the supplier to Boise Cascade, rather than re-packaging those items into Boise’s brown bags. This has reduced waste and saved time and money for both Boise Cascade and the Laboratory (see figures 7.3-3). The BUS Mailroom CQI team worked with Aramark (our food supplier) to develop a method for recycling utensils used in catering, rather than

throwing them away. Mailing the used utensils back to Aramark resulted in improved efficiencies and cost savings (see figure 7.3-4).

3.3 Others Involvement

BUS utilizes the UC Prime Contract Appendix F (figure 3.3-1) requirements and performance measure results, as well as the feedback from DOE and UC self-assessments and the negotiations process, as our primary method for determining stakeholder expectations and preferences. Stakeholder (interested party) satisfaction is determined in UC and DOE quarterly assessments of BUS performance as well as the annual performance measurement scores given to reflect their satisfaction with our ability to meet, exceed, or far exceed stakeholder expectations (figure 7.2-1, 7.2-2, 7.2-3) in each key process area. The BUS Quality Support Office (QSO) conducts the annual Voice of the Stakeholder, which gives Albuquerque DOE and Los Alamos Area Offices the opportunity to respond to the questions, How important are the products and services we deliver to you? and How satisfied are you?

BUS communicates continuous environmental improvement goals and action plan progress to our UC and DOE stakeholders during our quarterly meetings and the annual Appendix F self-assessment process (see figure 3.3-1). BUS' Appendix F requirements revolve around our key processes of finance, property, and procurement; thus, there are no specific environmental objectives for BUS as an organization. Because we see our environmental improvements as major contributors to our overall performance, we communicate and gain support for our environmental goals as part of the Appendix F self-assessment process. For example, in our Appendix F for finance, property, and procurement BUS includes environmental efforts toward a safer and healthier workplace under Appendix F Employee Satisfaction. Thus, DOE and UC as interested parties (or what we call Stakeholders) provide third-party evaluation of BUS' overall performance, including comments (not ratings) on our environmental initiatives.

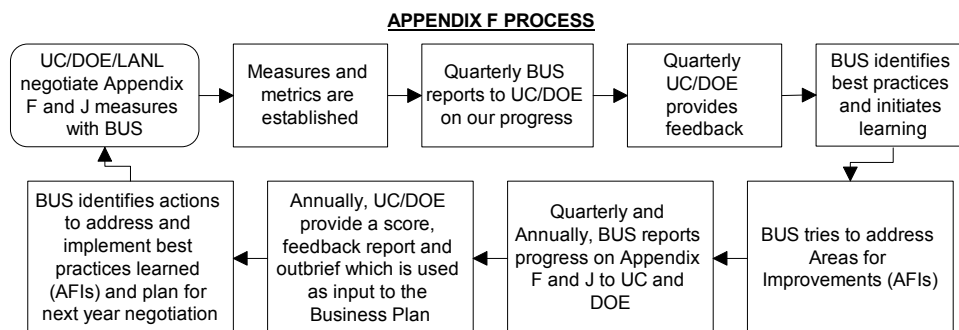


Figure 3.3-1 *The administration and operations analysis cycle of our Appendix F performance requirements, depicted here in our Appendix F process, forms the basis for analyzing and reviewing our operational performance.*

Another method of communicating and involving other interested parties is through participation in the New Mexico Green Zia Environmental Excellence Program. The Green Zia Program is a state-wide initiative designed to encourage businesses to focus on pollution prevention as a economic business advantage. Established by the 1998 New Mexico legislature, the Green Zia Program is administered by the New Mexico Environmental Alliance, a partnership of state, local, and federal agencies; academia; business and industry; and environmental advocacy groups. The basic premise of the program is that waste is the result of inefficiency and by reducing waste a company can increase its profits. The environmental benefit is clear: waste that is never created does not pollute. Participation in the program gives BUS Division an annual third-party, independent evaluation of successes and opportunities for improvement in environmental performance.

4 INFORMATION AND ANALYSIS

4.1 Information Collection Management

BUS selects data and information to make decisions, track performance, evaluate customer satisfaction, and measure productivity. The business planning process (figure 2.1-1) and BUS' environmental management cycle (figure 1.1-1) drive the selection of information and data needed to support BUS key processes and Business Plan goals and action plans. Data is managed in order to track performance and measured.

BUS selects, collects, and manages information based on our environmental vision and our business plan goals and tactics as shown in table 4.1-1.

Environmental Vision	Business Plan Goals and Tactics	Information Collected	Results
Desire for a healthy and safe work environment.	Goal 1: Safety <ul style="list-style-type: none"> Safety awareness ISM program Zero injury/illness 	VOE Survey Checkpoint Survey Safety Survey TRI/LWC Injury/Illness ISM walk-arounds Safety Concerns (SCS) Ergonomic training	Figures 7.2-14, 15 Figures 7.1-11, 12, 13 Figure 7.2-19 Figure 7.1-1 Figure 7.1-2 Figure 7.1-3 Figures 7.1-4, 5 Figure 7.2-18
Desire to protect the environment.	Goal 1: Safety <ul style="list-style-type: none"> BUS Environmental Champs Goal 4: Operations <ul style="list-style-type: none"> Effective processes 	MS A1000 (recycle junk mail) Purchase of material with recycled content Affirmative procurement Double-sided copying/electronic messaging Alternative fuel vehicles	Figure 7.1-10 Figure 7.1-6 Figures 7.1-7, 9 Figure 7.1-8 Figure 7.1-17
Desire to support the community.	Goal 5: Community Outreach and Corporate Citizenship	K-12 and LEEG gifting; excess Support of NNM businesses and economic development Supplier performance	Figures 7.1-14, 15, 16 Figures 7.1-13, 7.2-17 Figure 7.2-16
Desire to reduce costs.	Goal 7: Cost Effectiveness Goal 8: Customer Satisfaction	Reusable cardboard Boise Cascade Waste Minimization Reuse of serving utensils VOC Survey Appendix F results VOS Survey	Figures 7.3-1, 2 Figure 7.3-3 Figure 7.3-4 Figures 7.2-9, 10, 11, 12 Figures 7.2-1, 2, 3 Figures 7.2-4, 5, 6, 7, 8

Table 4.1-1 *How BUS selects, collects, and manages information.*

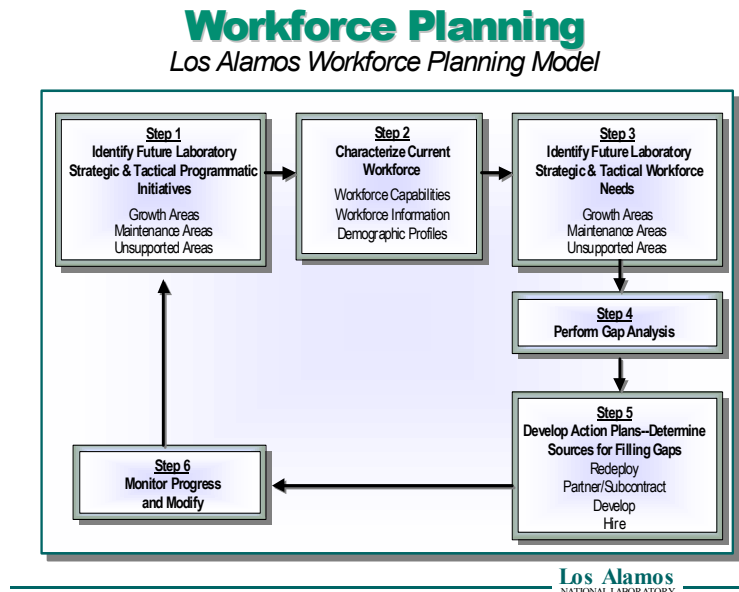
4.2 Analysis and Decision-Making

BUS Division managers systematically analyze data to develop the information necessary for wise decision-making. The business planning process described in Item 2.1 forms the basis for the annual roll-up of a comprehensive set of data. The division management team formally reviews the business plan semiannually. Quarterly, DOE provides feedback on BUS performance, and the division formally evaluates progress toward Appendix F goals. On a more informal basis, operational data is presented and analyzed at the biweekly management meetings that include all leaders within the division. BUS Division managers review all the data identified in item 4.1 on at least an annual basis, with the majority of information being evaluated much more frequently.

5 EMPLOYEE INVOLVEMENT

5.1 Employee Education and Skill Development

The objective of Goal 3 in the BUS Business Plan is to develop adequate numbers of well-trained business services personnel to meet changing customer needs. To achieve this objective, BUS assessed the skill levels of employees across the division as part of our Work Force Planning (WFP) Initiative.



*Figure 5.1-1
The Workforce
Planning Model.*

The team, comprised of employees from each BUS group and the division office, follows the Los Alamos Workforce Planning Model (figure 5.1-1). We characterize the current workforce and its capabilities. Subsequently, we identify future BUS strategic needs in support of our customers, our vision, and our strategic business plan objectives. Next we compare our current capabilities against our future needs (gap analysis) which leads us to developing ways to fill the gaps. Options for filling gaps include hiring, employee development, redeployment of resources, and partnering. Based on the gaps identified in the WFP initiative, BUS provides training and education to employees to align with BUS goals and objectives and meet future customer and work force needs. BUS employee training needs are also determined via employee focus group interviews, Checkpoint and VOE Survey results, and in response to Laboratory requirements.

The Personal Development Planning (PDP) process (figure 1.1-2) uses a cascading process to align individual BUS employee objectives with the objective of their respective group and division. The cascading process links the BUS Business Plan objective to key processes through individual performance and development planning. As employees and their managers work together to identify how they will contribute to group and division business plan goals, the need for new skills and competencies is identified and a development plan is created. By providing employees with links to the business plan, BUS is assured employees also see a link between their work processes and Appendix F performance. It is then the responsibility of the BUS manager to supply the resources (time, money, and support) to enable and encourage the employee to accomplish his or her development plan. The manager and the employee meet throughout the year to address and reevaluate changing employee and group or division needs.

Once developmental goals have been established, employees are encouraged to participate in appropriate training offered within the Laboratory or through other organizations. To assist employees in determining their training needs, BUS developed and maintains the BUS Training Web Page. The purpose of the training web page (figure 5.1-2) is to make information available to BUS employees who may be interested in mobility, a career change, or simply in finding out the type of training available to enable better performance in their existing job. The web page lists “foundation” knowledge, skills, and abilities (KSA)

LOS ALAMOS NATIONAL LABORATORY BUSINESS OPERATIONS DIVISION (BUS)

by job family and title within each of the BUS key functions. For ease of use, visitors to the site are able to navigate by selecting a particular job title, scrolling through the associated KSA, and then linking to training that is available.

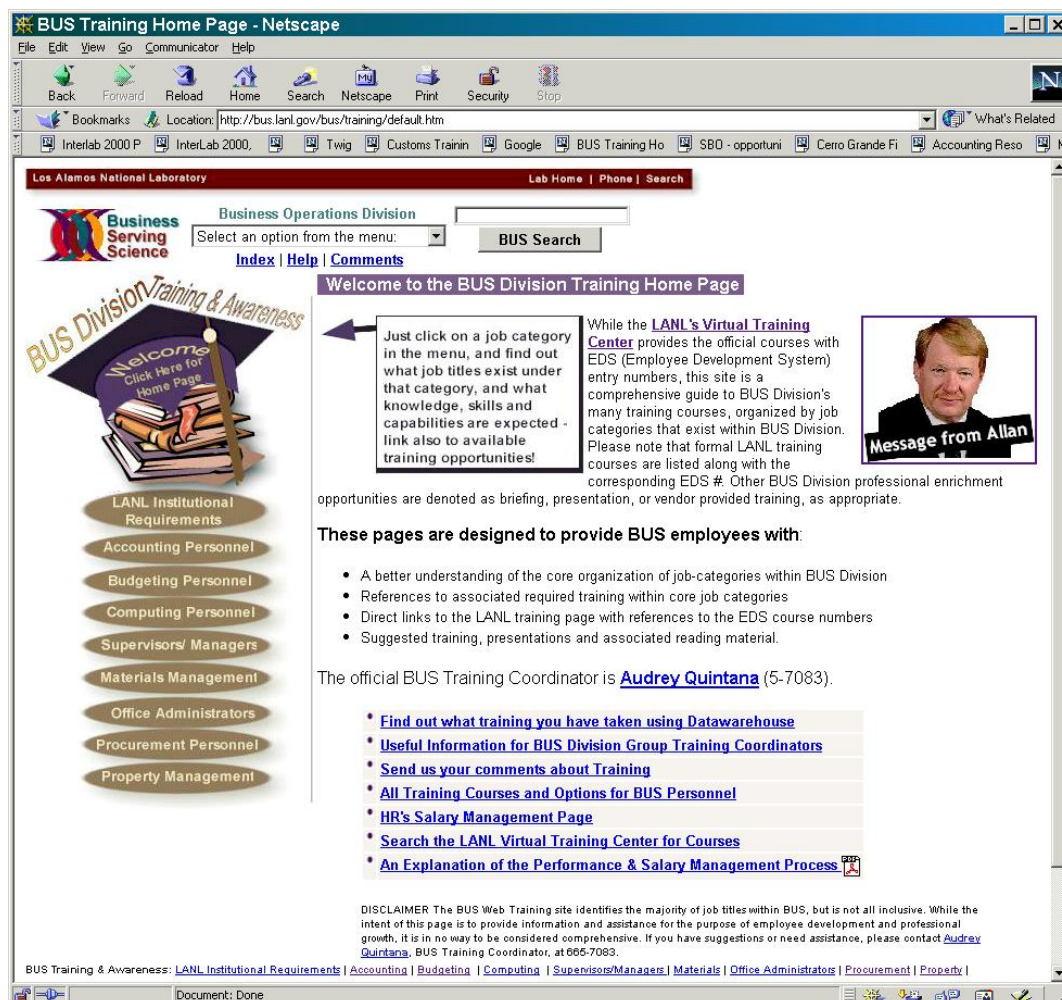


Figure 5.1-2 The BUS Training Web Page.

As part of the BUS training web page, we list BUS division course requirements and useful classes for division employees in support of our environmental vision and as a key component to assuring actions by workers that reflect attention to safety and environmental concerns in an office requirement (table 5.1-1).

Course	Content
Laboratory Implementing Requirements (LIR) Summaries	General awareness regarding LIRs as they effect BUS workers.
QUEST 2001	3-day seminar focused on quality leadership and process improvement methodology (PDCA).
Ergonomics for Office Workers	Examines hazards associate with repetitive office work.
Hazard Control Plans	Identifies hazards and controls in the BUS office environment.

Table 5.1-1 BUS Division required courses that support our environmental vision.

As an informal training mechanism, BUS Division maintains a library of 120 safety videos. These videos cover safety in the workplace as well as at home, and are available for use at group or team meetings or may be checked out by individuals for home use. In addition, BUS managers have invited members of LANL's ESO to give presentations at various group and division meetings. These talks focus on general

pollution prevention and energy conservation and are designed to increase BUS employee focus on environmental considerations.

Another focus is participation in the New Mexico Green Zia Environmental Excellence Program and use of the Green Zia tools for environmental excellence. Since June of 1999 BUS Division has been working to identify ways to reduce pollution and minimize resource usage in a standard office environment. Submission of this award application is part of an ongoing division effort to more effectively and systematically focus on and assess BUS' environmental performance. Figure 5.1-3 shows how BUS Division will achieve this goal and how the division's efforts will contribute to improvement.

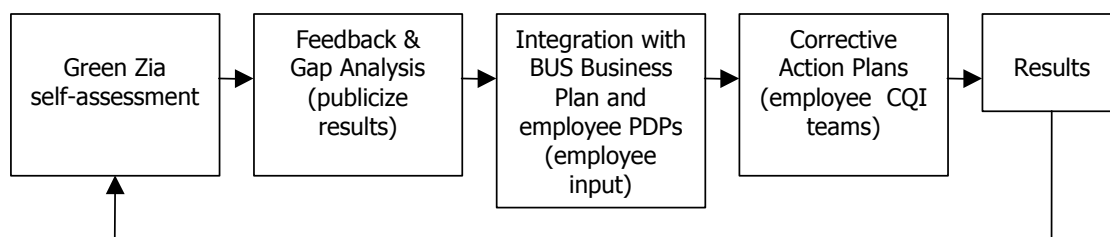


Figure 5.1-3 *The Green Zia self-assessment process*

The effectiveness of BUS' training program is assessed in an ongoing manner through informal employee feedback and course evaluation sheets given to participants at the end of each course and is evaluated formally through the VOE and Checkpoint Survey processes. Based on this feedback, courses are improved using PDCA to better suit employee needs.

5.2 Employee Involvement

A major emphasis in BUS Division is that every employee understand his or her role in achieving organizational and institutional goals, including those related to environmental performance and pollution prevention. As process owners, BUS employees are involved in process design via the Design Process (figure 5.2-1). The Customer-Supplier Model for Day to Day Operations (figure 1.2-1) shows how BUS employees find creative ways to modify the input, materials, equipment, method, environment, or people to improve process outputs and reduce waste.

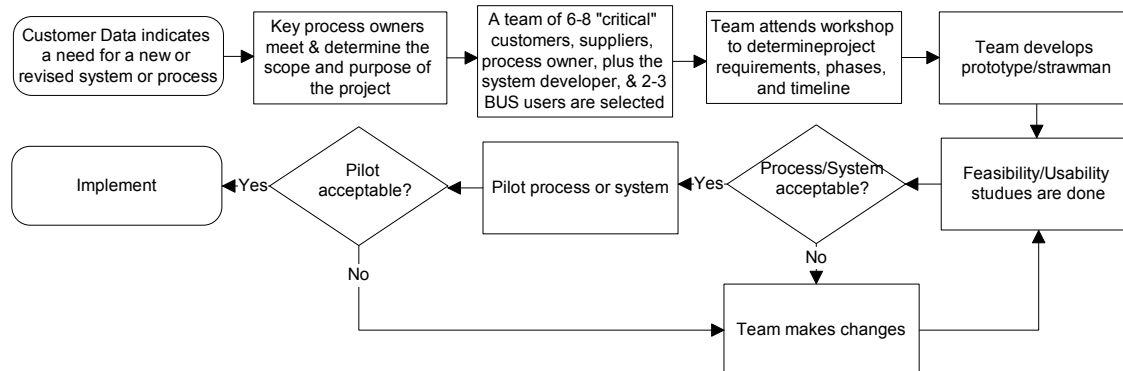


Figure 5.2-1 *BUS Design Process.*

To encourage communication, all managers, including the division director, observe an open-door policy. Employees may also provide comments and observations at group meetings and the quarterly all-hands meetings. The annual Employee Checkpoint Survey and VOE Survey provide ways for employees to give anonymous input. Employees can also address issues and questions to BUS Division's Safety Coordinator and the division Safety/ Ergonomics Committee. BUS has also established an electronic mechanism for soliciting employee input on pollution prevention. BUS Division employees can send comments,

**LOS ALAMOS NATIONAL LABORATORY
BUSINESS OPERATIONS DIVISION (BUS)**

observations, or questions to busenvchamps@lanl.gov or they can write to the BUS Communication Station with questions or suggestions for improvement. The BUS Environmental Champs team is part of Goal 1 Safety of the business plan. The team was chartered to identify ways to increase BUS employee environmental awareness and to reduce waste in BUS division. In April 2001, this team established Recycling Centers in the Otowi Building. The Otowi Building is a prototype for similar stations that will be established across BUS division and may spread to the rest of the Laboratory. The recycling centers provide a central place for employees to dispose of items that normally would go to the landfill. Messages sent to busenvchamps will be routed to the BUS environmental team (from Goal 1 tactic 3 of the business plan) for response. The comment will be entered into the Safety Concern System (SCS) and the sender will be notified of any proposed action, and the issue will be tracked to resolution. Communication Station is a BUS web site where employees can ask questions, make suggestions, and find out what is going on around the division. This is the centralized communication point for incoming and outgoing information providing an interactive exchange of ideas and concerns between employee and management.

In addition to providing input, BUS Division employees have the opportunity to work toward improved organizational performance. Improvement of company processes begins with feedback from customer or employees and leads to the formation of CQI teams. All BUS teams use the PDCA method of process improvement, and employees are trained in QUEST 2001, an improvement methodology based on the philosophy of W. Edwards Deming. The employee-based CQI teams are empowered to test and implement solutions that prove to be the most effective in achieving division objectives and customer requirements.

Senior leaders ensure that the division's human resources are properly aligned to carry out proposed action plans. The alignment process begins with the annual strategic planning update. Leaders develop long-term priorities and projections and ensure that adequate resources are available. As projects evolve, leaders use quarterly or monthly reviews of action plan progress to ensure that resources continue to be adequately aligned.

BUS Division assists the entire LANL community in pursuing safe and environmentally sound policies. For example, the division's ergonomic training and awareness program has been so successful that the LANL ergonomics committee is using the BUS program as a model for the entire institution. This awareness of ergonomic safety also translates into workers who are safety and health conscious at home and in their communities. Thanks to BUS' LIR Summary Model (table 5.2-1), BUS and LANL employees are able to gain familiarity with LIRs and the employees' roles and responsibilities relative to each LIR. Each LIR is bundled into a "class" which is taken online. Credit for course completion is given and tracked through the Employee Development System (EDS) to ensure employees are reading the LIRs and to promote safety and safe workplace practices awareness among all BUS employees. Employees are expected to translate the BUS safety culture to their own homes and families.

LIR # / OIC	LIR Title	Reviewed <small>Not Applicable</small>	Worker	Group Leader	Division Leader	Facility Manager	1	2	3	4	5	6	7	8
LIR201-00-04 / S-8	LANL Incident Reporting Process		X	X	X	X								
LIR220-01-01 / FE-6	Construction Project Management								X		X			
LIR220-03-01 / FE-6	Facility Engineering Manual	X												
LIR230-01-01 / FE-1	Laboratory Excess Space & Surplus Facility Requirements			X	X	X								

Table 5.2-1 BUS' LIR Summary clearly identifies BUS employee responsibilities and creates awareness.

Efforts to promote carpooling are an example of how BUS Division encourages employees to minimize the environmental impact of their work duties on the local community. Near the Otowi Building, LANL has established reserved parking for high occupancy vehicles. And the LANL daily *Newsbulletin* maintains an electronic "Commuter's Corner" where prospective carpoolers can advertise or look for ride-sharing opportunities. BUS Division is also responsible for oversight of government vehicles use at LANL. One way to reduce vehicle exhaust is to switch to alternative-fuel vehicles. BUS-6 has recently leased twenty-

four electric trucks for use around LANL and has been working cooperatively with DOE and the Clean Cities Program to establish an ethanol fueling station in Los Alamos.

5.3 Employee Satisfaction, Value and Well-Being

BUS maintains a safe and healthful work environment for employees. Both the Laboratory and BUS Division consider safety a primary factor of employee well-being. The BUS Safety goal and related action plans support a safe work environment for our employees and ensure that BUS performs work safely. A BUS/ESH team conducts ergonomic evaluations of BUS employee workstations, and the BUS Ergonomics Committee works to ensure awareness and prevention of repetitive stress disorders. BUS managers conduct monthly Integrated Safety Management (ISM) walk-arounds of their areas, looking for and correcting ergonomic concerns and work area hazards such as boxes in the walkways, or improper electrical plug usage. The ISM database tracks deficiencies until resolution, and compiles them to identify and improve BUS safety performance. Furthermore, BUS safety policy encourages managers to meet with employees to discuss individual safety commitments and hazards identified with each job. BUS employees may enter and track their own safety issues through the web-based Safety Concerns Program, which encourages all employees to submit and track safety concerns.

Employees also contribute by serving on the BUS Safety/Ergonomics Committee, where each group—including the division office—is represented. Committee members are responsible for promoting activities that motivate BUS employees to work safely; conducting events for the division that keep safety awareness alive; educating; improving safety processes; sharing best practices; serving as role models; and tracking, trending, and analyzing environmental, health, and safety areas for improvement. Some of these committee members also belong to various Laboratory-wide committees such as Grassroots Safety Volunteers, Lab-wide All Days Are Safety Days, Institutional Ergonomics, and Laboratory Standards Working Group. In addition, employees contribute by serving on the BUS Safety Committee and in support of individual group safety programs that are customized to address the safety hazards of each group. Team members serve as role models and points of contact for safety across the entire division.

The Safety Committee has established guidelines for ergonomics, equipment use, and physical activities for employees to do during the workday. An ergonomics demo room is available to all BUS employees to try out equipment (e.g. computer keyboards, mice, chairs, etc.) before purchasing new equipment to ensure ergonomic correctness and employee well-being.

BUS Division's major formal method for determining employee attitudes and the climate in the workplace is the annual LANL Employee Checkpoint Survey and the VOE survey. The surveys contain standard types of questions in general categories including safety, productivity, and customer focus. BUS VOE survey results are used with Checkpoint Survey results to set business plan direction and action plans. We also gather input from employees regarding safety issues and awareness via the Safety Survey (conducted every other year). BUS Division managers review the information from these instruments and use it to help establish goals and corrective actions.

The ISM program assists BUS Division managers to conduct monthly walkarounds in their areas, looking for and correcting ergonomic concerns and work area hazards such as obstructed walkways, improper electrical usage, and violations of forklift safety or hazardous material handling. The ISM database tracks deficiencies until resolution and compiles them to identify and improve BUS safety performance. Furthermore, the BUS safety policy encourages managers to meet with employees to discuss individual safety commitments and hazards identified with each job. BUS employees may enter and track their own safety issues through the web-based Safety Concerns Program.

BUS Division has established two specific awards to encourage employee focus on safety and environmental performance. EARN BUCS recognizes employees on-the-spot for their good work relative to safety and customer service. Employees can accumulate EARN BUCS points and exchange them for gifts. The On-the-Spot Safety Awards Program provides immediate awards, such as T-shirts or coffee mugs, for safe behavior and reinforces the BUS value of performing all work safely. There are also institutional incentives to encourage staff to work smarter and utilize innovative approaches to accomplish

**LOS ALAMOS NATIONAL LABORATORY
BUSINESS OPERATIONS DIVISION (BUS)**

their work. The Pollution Prevention Awards Program, sponsored by LANL's ESO, is open to all employees and subcontractors. It is designed to encourage individuals and teams to develop plans, programs, or ideas for minimizing waste; conserving water, electricity or natural gas; reducing air or water pollution; or procuring products with recycled content. Recipients of the awards receive recognition and a cash grant from specially allocated congressional funds. The Los Alamos Awards Program (LAAP), administered by LANL institutionally but tailored for application within BUS Division, provides a link between BUS' mission and those employees or teams that achieve significant accomplishments toward that mission. BUS Division managers use the program to recognize exceptional contributions and noteworthy achievements by awarding their employees, either individually or as teams, cash awards ranging from \$250 to \$2000.

As part of the larger LANL community, BUS Division promotes the use of existing institutional programs to enhance support for employees. LANL offers a comprehensive set of support initiatives along with feedback systems. Division employees are encouraged to use all LANL services that are appropriate and relevant to their individual needs.

To provide emotional support, BUS employees are encouraged to use the LANL Employee Assistance Program (EAP) whose main goal is to assist employees with personal problems that are affecting their job performance. This has become increasingly important in the aftermath of the Cerro Grande Fire. The EAP also offers a wide variety of presentations and workshops on such topics as stress management, gender issues, conflict resolution, and smoking cessation. The EAP also makes available a collection of books, videos, and audio tapes on workplace issues. The program is available free of charge. Usually employees refer themselves; however, a supervisor can refer an employee if job performance has been identified as a problem.

For employees' physical well-being, LANL maintains a Wellness Center. The center offers equipment and specific areas for weight training and aerobic exercise in individual and group formats. Use of the center for individual exercise programs is offered free of charge. The center also provides, usually for a small fee, a wide variety of exercise and health programs including stress management, healthy eating, aerobics, yoga, and cardiovascular fitness. The center offers individual fitness evaluations for a nominal fee. The center monitors daily use numbers and has completed user satisfaction surveys along with participant evaluations.

BUS Division employees may choose between two basic work schedules, a traditional 5 day/40 hour week or a new 9 day/80 hour schedule which allows employees every other Friday off. In addition, BUS Division allows employees, with prior agreement of their managers, to use some flexibility in their regular work schedules to meet personal needs.

LANL provides employees and managers formal guidance on administrative reviews and grievances. In addition to this formal support, the institution provides responses to informal queries as well as guidance to employees or management on relations in the workplace. Specific support is available on such subjects as counseling, sexual harassment, violence in the workplace, and interpersonal skills.

An Ombuds Office, available to any individual in the workforce, provides services including addressing work-related issues, assisting employees in obtaining services, or expediting actions. The Ombuds Office also provides a Mediation Center which provides a structured approach and environment to resolving issues between employees or between management and employees.

6 PROCESS MANAGEMENT

6.1 Process Characterization and Control

BUS systematically analyzes its processes to identify potential issues (risks) as part of our daily operations using the Control Risk Self Assessment (CRSA) Process (figure 6.1-1). This process provides for developing and implementing internal controls so that risks that could threaten achievement of BUS objectives and environmental vision are mitigated or reduced to an acceptable level. Process owners (BUS employees) and customers identify controls and risks in each of our key processes. When risks, including environmental impacts, are identified, BUS uses the PDCA method of process improvement to develop and implement action plans for improvement.

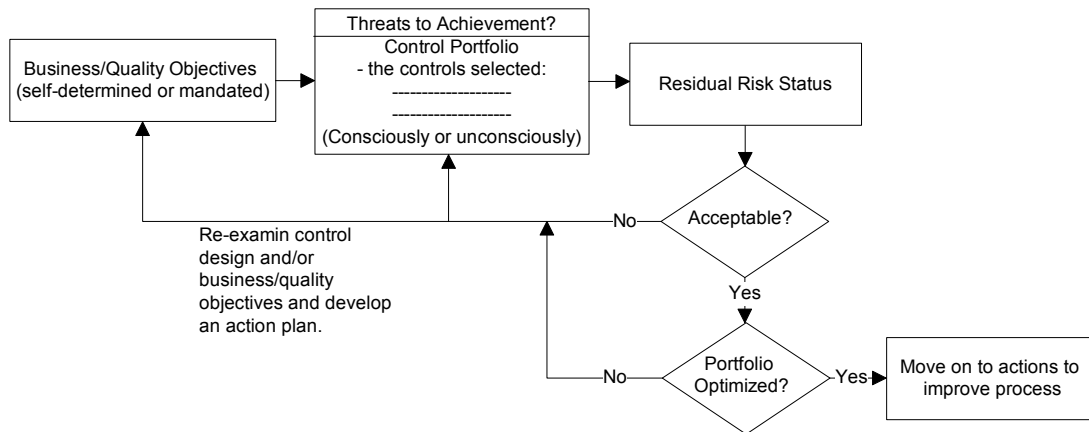


Figure 6.1-1 The Control Risk Self Assessment Process helps BUS analyze risks and develop controls.

The BUS Division Customer-Supplier Model for Day to Day Operations (see figure 1.2-2) shows how BUS uses supplier input from customers, stakeholders, and employees in designing and improving processes and reducing BUS waste. We look at the input to our processes and within the components of our processes (materials, equipment, method, environment, and people) to identify opportunities for improvement. CQI teams are made up of process owners (the employees who do the work) and customers. In order to maintain process efficiency and identify potential environmental issues, we apply the PDCA methodology in our continuous process improvement teams, comprising employees, customers, and suppliers.

BUS' Environmental Management Cycle (figure 1.1-1) and our Customer-Supplier Model for Day to Day Operations (figure 1.2-2) help us to achieve our environmental vision of reducing waste and creating a healthy and safe work environment for our employees.

Formal operational assessments occur during quarterly, semiannual, or annual reviews, but leaders may also consider operation performance at any of the biweekly management meetings. BUS Division leaders use the wide variety of data—including data from customers, employees, and operational reviews—to assess the performance of key processes and associated pollution prevention objectives. Customers, including both LANL employees and LANL managers, are intimately involved in process evaluations through their input to the VOC process. Employees provide operational evaluations through their input to the VOE process and in the Checkpoint Survey. Both DOE and UC stakeholders are active participants in establishing performance expectations and in evaluating operational achievement in BUS' key processes through the Appendix F process (figure 3.3-1). As part of the Appendix F process, both UC and DOE provide feedback on BUS' performance by issuing a satisfaction rating and offering a summary of BUS' strengths, opportunities for improvement, and observations. BUS uses this data as yet another way to identify processes to improve. The Appendix F process also allows division leaders to identify best practices and lessons learned across the DOE complex, especially between LANL and our sister

laboratories LLNL and LBNL. The division also uses strategic benchmarking to identify ways to avoid failure or loss and to maintain or improve efficiency.

6.2 Process Improvement

BUS Division uses a systematic CQI process to analyze and upgrade its processes on an ongoing basis. For product and service production/delivery processes, BUS Division relies on a generalized evaluation and improvement methodology based on Deming's PDCA cycle (figure 6.2-1), which is similar to the Green Zia process improvement system (figure 5.1-3). The PDCA process requires a Plan to test the process, Doing the test, Checking the results, and Acting on the results by either implementing or making changes to the process. PDCA forms a framework within which managers and improvement teams employ a variety of tools and techniques to address opportunities for improvement. The goal is to help managers most intimately involved with day-to-day operations have the flexibility to determine how best to maintain optimum process performance and meet customer expectations. This process ensures that, based on regular and frequent customer interactions, managers will select and monitor key in-process measurement most appropriate for each individual project and process. This process has been used to address environmental improvement issues and overall process improvement.

Once a process has been designated as needing improvement, based on a CRSA, VOE/VOC results, or on perceived inefficiencies, senior leaders charter a CQI team. We prioritize opportunities for improvement during the business planning process (figure 2.1-1) using a multi-voting technique based on criteria such as customer requirements, budget constraints, and resources available. Employees are frequently invited to volunteer for improvement teams, and in some cases employees with specific process knowledge are appointed to the CQI team by management. Much like the Green Zia improvement methodology, the PDCA cycle uses a flow chart to identify key aspects of a process. The CQI team then analyzes problem areas, focusing on root causes and using tools such as a cause-and-effect diagram. Next the CQI team identifies possible alternatives and creates an action plan. Finally, the team selects and implements the most appropriate change and monitors the revised process to ensure the change produces the desired improvement. (see figure 6.2-1)

Results from improvement efforts are communicated to senior leaders at the biweekly management sessions and as part of the Appendix F quarterly assessments. Employees learn about process improvements at the all-hands meetings and through information published electronically or as memos from QSO.

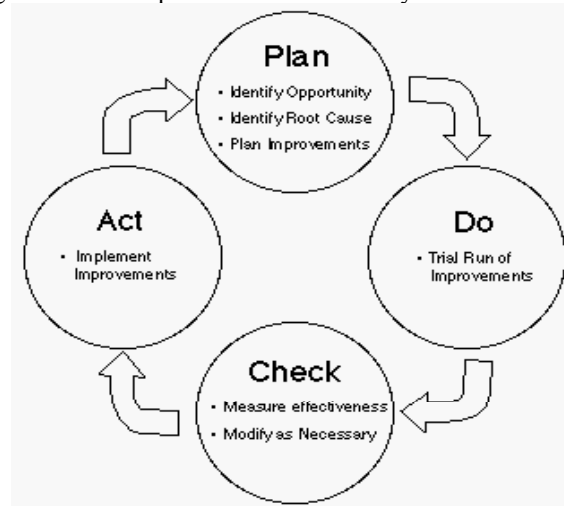


Figure 6.2-1 *All BUS processes are based on the P-D-C-A methodology of process improvement, which requires a Plan to do the test, Doing the test, Checking the results, and Acting on the results by either implementing or making changes to the process.*

7 RESULTS

7.1 Environmental Results

Safety is critical to employee well being and effective performance. Results indicate very favorable safety perceptions and heightened safety awareness by BUS employees. Another indicator of increased safety awareness within the division is the increased use by employees of the LANL Safety Concern System. BUS Managers dialogue with employees about safety during their monthly Integrated Safety Management (ISM) Walkarounds.

Year over year, BUS continues to attempt to improve its safety record. However, despite the training and awareness efforts described in this application. Total recordable incidents (TRI) and lost work cases (LWC) within the division have not decreased proportionately with those of the Laboratory. We continue our search for proactive ways to prevent sprains and repetitive motion injuries, the two most common safety incidents within BUS Division.

BUS Division closely monitors its injury/illness rates through the following measures.

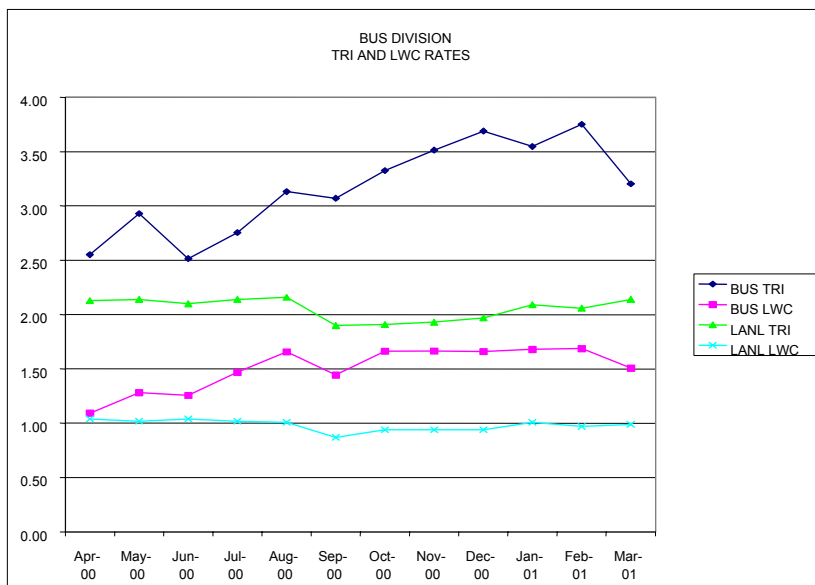
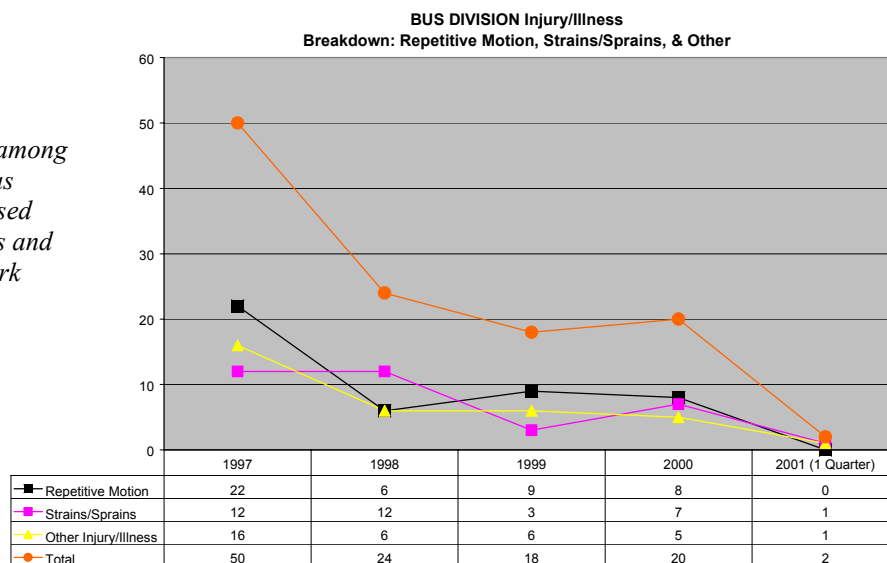


Figure 7.1-1

Our safety awareness goals are designed to decrease accidents and injuries in the work place. BUS' success is due primarily to increasing safety awareness among our employees. This figure shows a rolling twelve-month average for total recordable incidents (TRI) and Lost Workday Cases (LLWC) and compares BUS Division's performance to overall LANL performance.

Figure 7.1-2
Safety awareness among BUS employees has resulted in decreased ergonomic injuries and illnesses in the work place.



**LOS ALAMOS NATIONAL LABORATORY
BUSINESS OPERATIONS DIVISION (BUS)**

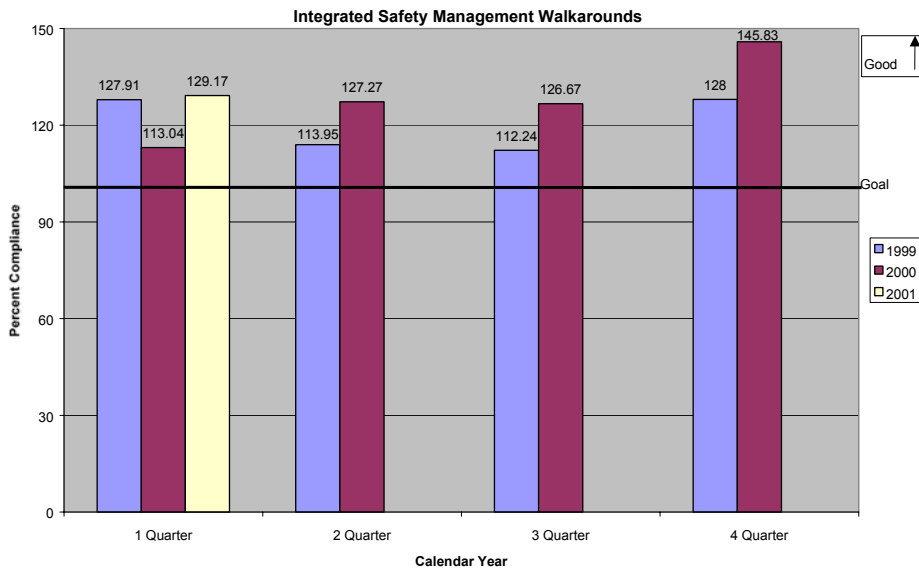


Figure 7.1-3

As part of BUS' commitment to providing a safe workplace for employees, BUS managers have increased the frequency of their management walk-arounds, walking employee spaces monthly and recording safety-related observations and actions in the Integrated Safety Management (ISM) database.

BUS Division managers also monitor employee input into LANL's Safety Concerns Program to determine the type of safety concerns employees have and also to ensure issues are tracked to resolution.

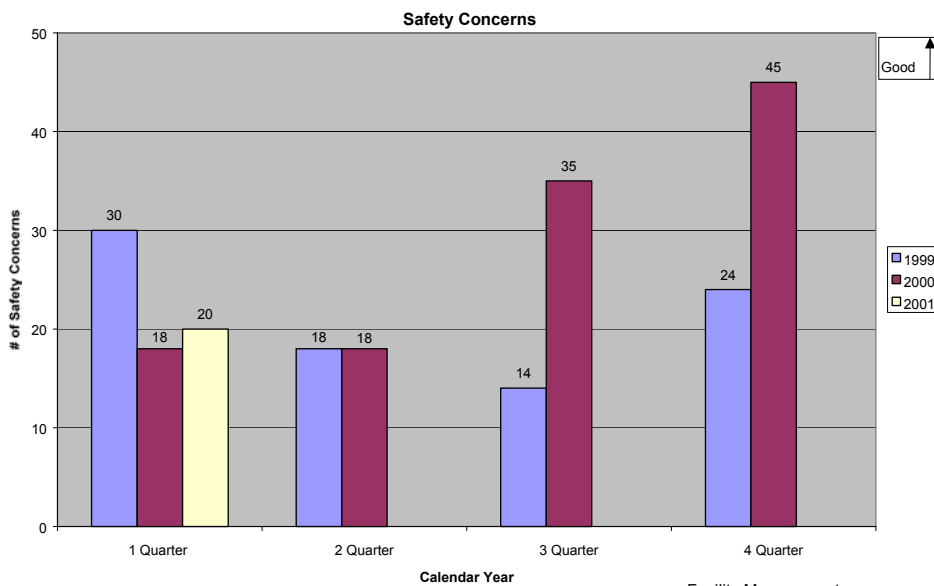
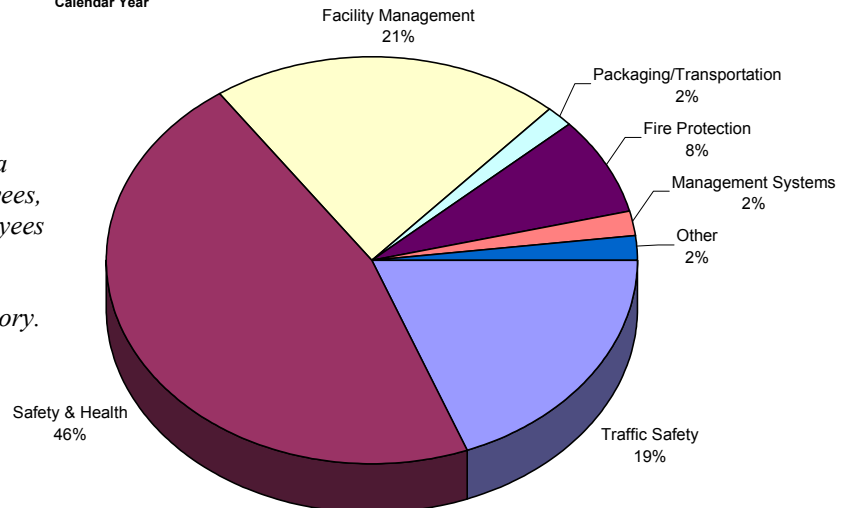


Figure 7.1-4

BUS employees record safety-related observations and concerns in the Safety Concern System database. To date, the greatest number of employee safety concerns were received in the third quarter of 2000. This is probably due to heightened safety awareness and increased concerns as a result of the May 2000 Cerro Grande Fire and the potential for flooding after the fire.

Figure 7.1-5

As part of BUS Division's commitment to providing a safe workplace for employees, BUS managers and employees record safety-related observations in the Safety Concerns System by category.



LOS ALAMOS NATIONAL LABORATORY BUSINESS OPERATIONS DIVISION (BUS)

The figures below show BUS Division's performance related to affirmative procurement, which is an effort to purchase products with recycled content. BUS has been able to improve our performance through managing the JIT ordering system to restrict non-recycled paper purchases and working with our JIT vendors to ensure they align with our objectives (also see 7.2).

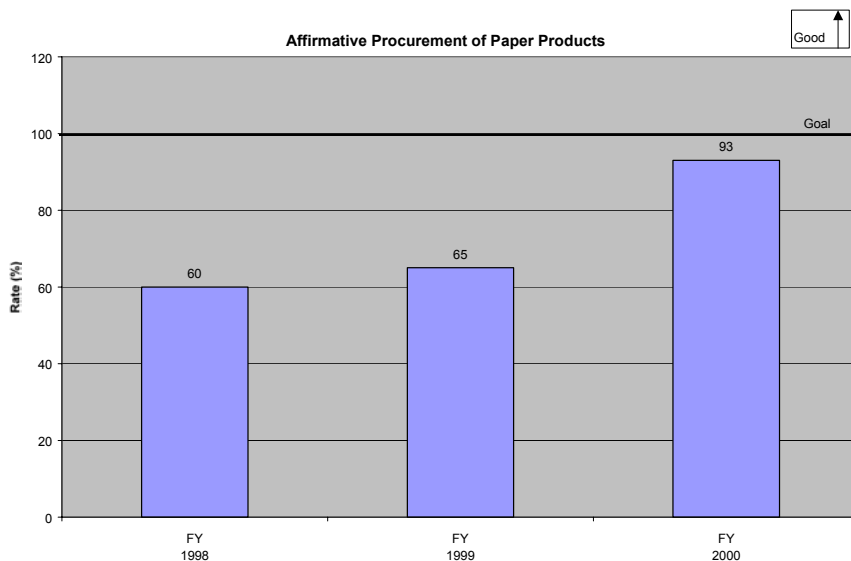


Figure 7.1-6
BUS Division's purchase of material with recycled content.

Figure 7.1-7
The number of Affirmative Procurement dollars placed in FY00 decreased probably due to the impacts of the Cerro Grande Fire, including Laboratory closure. See 7.1-9, which shows the number of orders decreased.

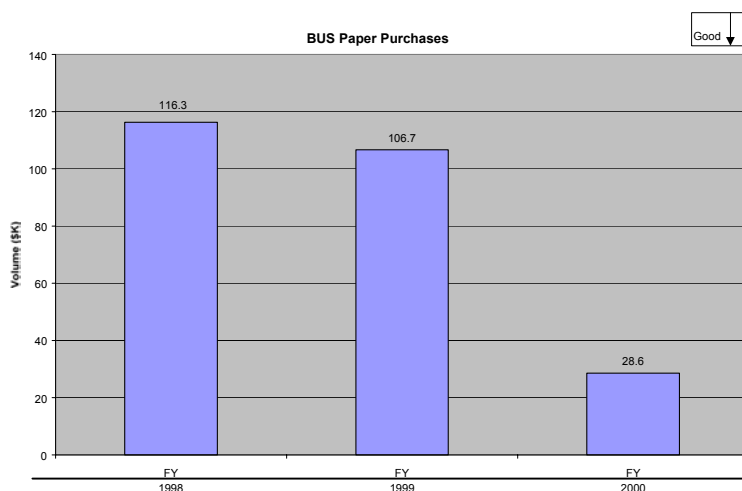
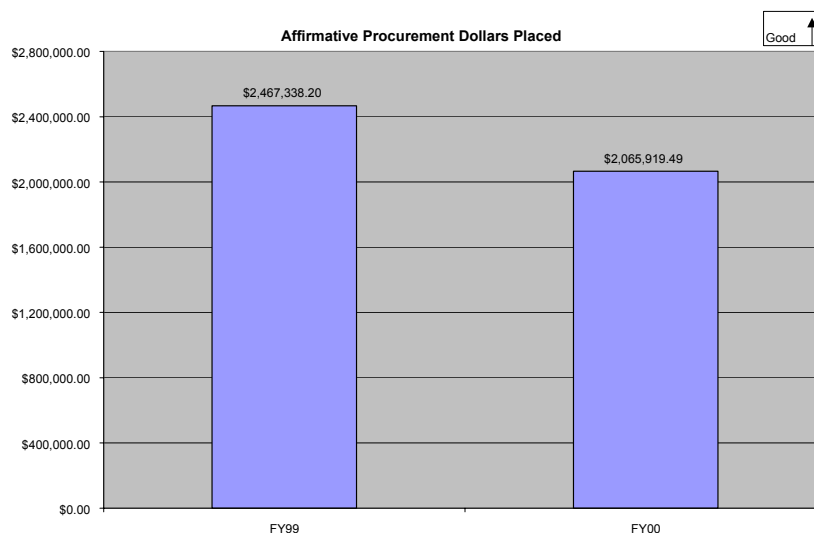


Figure 7.1-8
BUS paper purchases have decreased due to increased use double-sided printing, electronic messaging, and web page use.

**LOS ALAMOS NATIONAL LABORATORY
BUSINESS OPERATIONS DIVISION (BUS)**

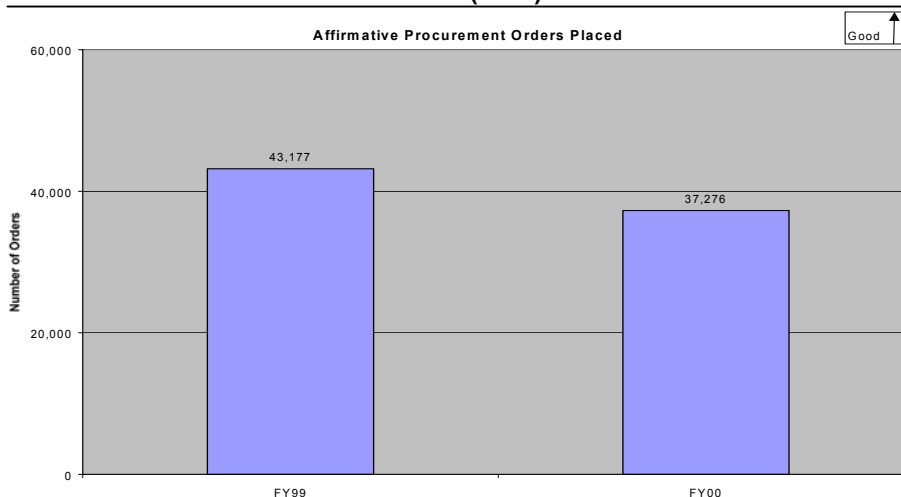


Figure 7.1-9
The number of Affirmative Procurement orders placed decreased probably due to the Cerro Grande Fire.

BUS Division employees use the Mail Stop A1000 program to recycle unwanted mail and other recyclable material (i.e colored paper, binders, etc.) rather than dispose of it in the landfill.

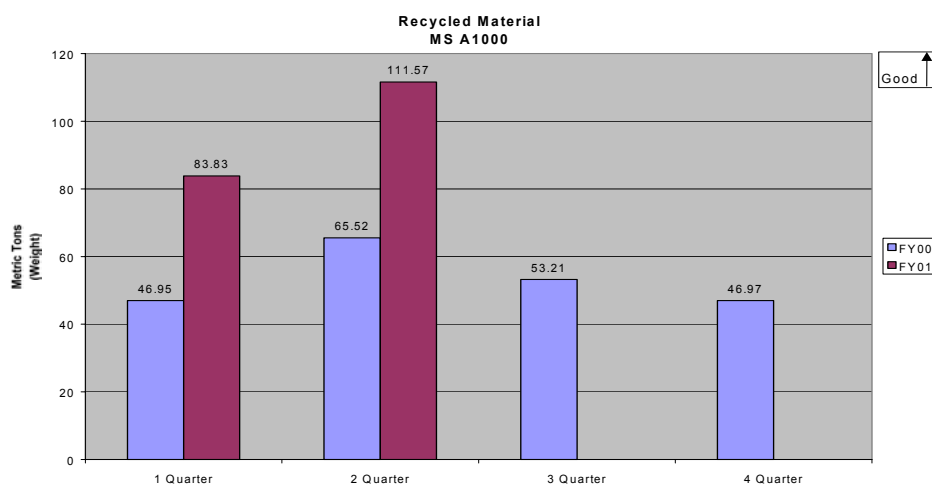
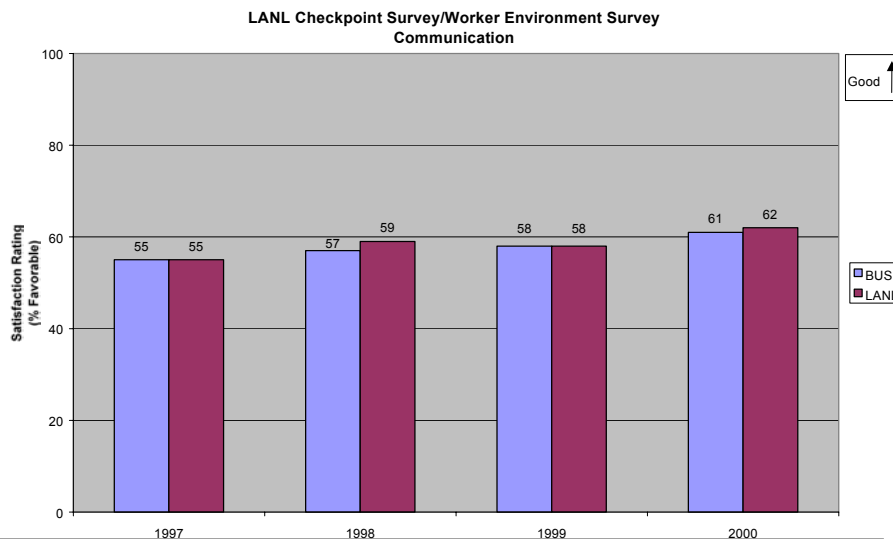


Figure 7.1-10
As part of BUS' commitment to reduce waste to the landfill, BUS has increased the amount of recycled mail and other printed material going to BUS' Mail Stop A1000 program.

Employee Checkpoint Survey/Worker Environment Survey scores in the areas of communication and job satisfaction provide BUS Division managers with direct input on employee concerns related to environmental issues.

Figure 7.1-11
BUS Division's Employee Checkpoint Survey/Worker Environment Survey scores related to communication. For the past four years, BUS' scores have remained consistent with overall LANL scores. We hope that our 2001 survey will reflect improved percent favorable scores due to the creation of BUS Communication Station web-site and improved communication efforts described in this application.



LOS ALAMOS NATIONAL LABORATORY BUSINESS OPERATIONS DIVISION (BUS)

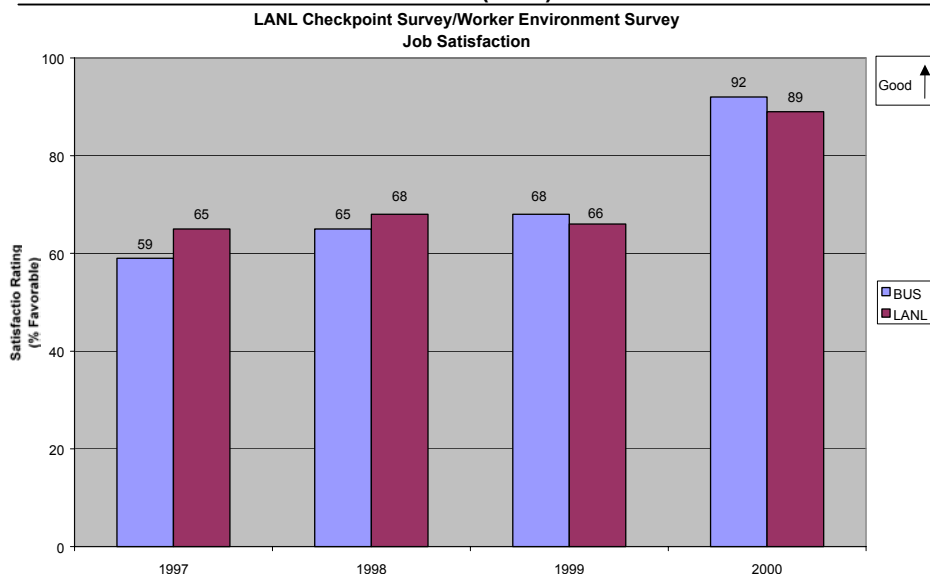


Figure 7.1-12
BUS Division's Employee Checkpoint Survey/Worker Environment Survey scores for job satisfaction. For the past four years, BUS' scores have remained consistent with overall LANL scores, with our year 2000 results showing statistically significant improvement in favorable perception ratings.

Increasing Northern New Mexico's (NNM) supplier base and math and science K-12 and Laboratory Education Equipment Gift Program (LEEG), effective FY00, demonstrate BUS Division's commitment to corporate citizenship in NNM.

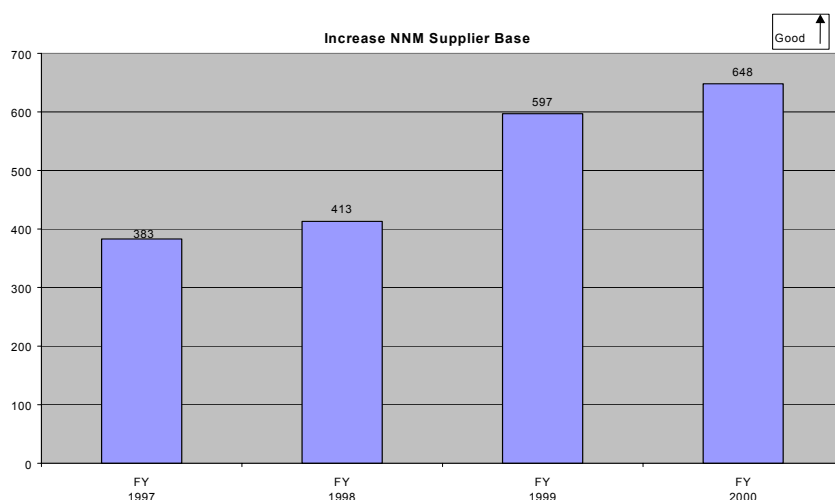
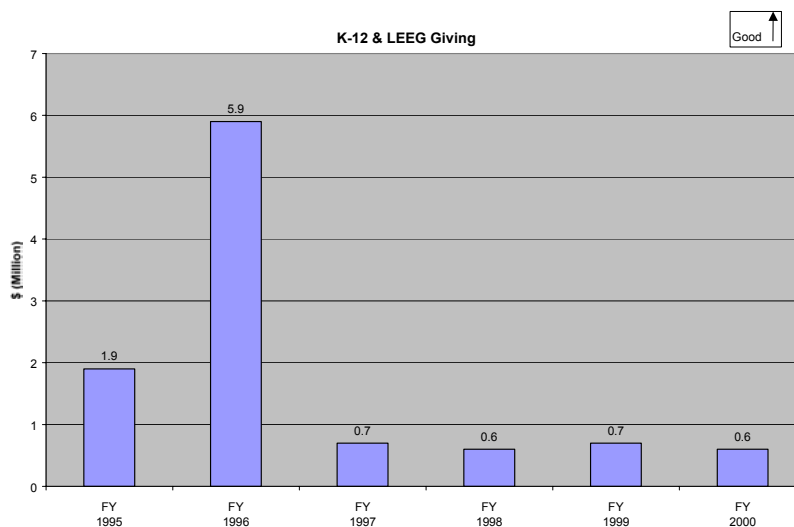


Figure 7.1-13
Increase in the number NNM businesses we work directly with and include in our searchable database demonstrates BUS' commitment to NNM businesses.

Figure 7.1-14
Two BUS programs allow gifting to educational institutions and non-profit organizations for technical and scientific education and research. K-12 & LEEG Gifting enables BUS to recycle and gift used equipment to the community, rather than send it as waste to the landfill.



**LOS ALAMOS NATIONAL LABORATORY
BUSINESS OPERATIONS DIVISION (BUS)**

BUS Division reduces the waste stream by excessing (reusing) office equipment verses salvaging (destroying) the equipment. BUS Division reduces pollution by using low-emission vehicles.

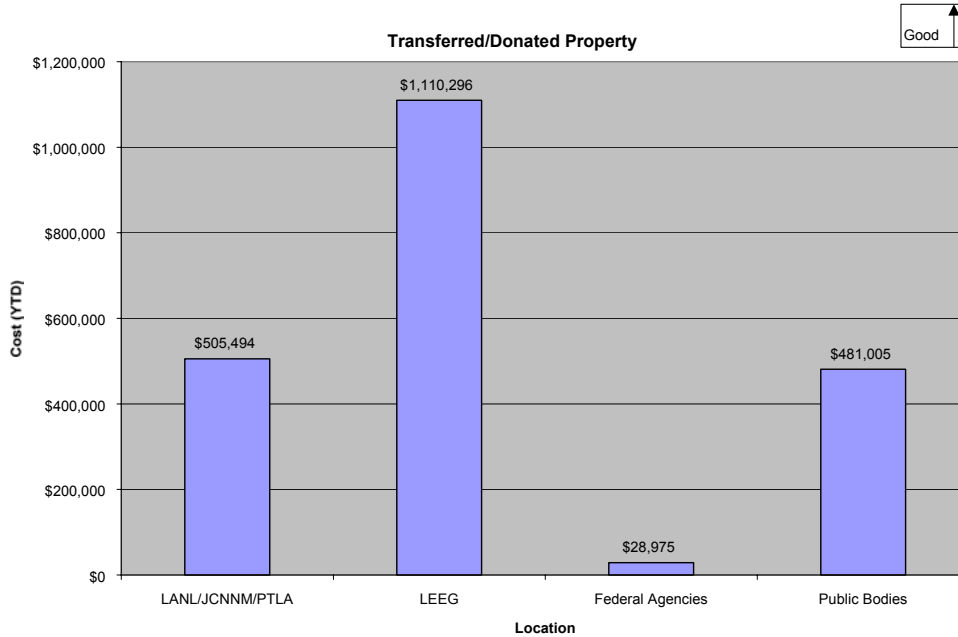


Figure 7.1-15
This figure shows that over 2 million dollars of equipment was transferred or donated (reused) to the community and/or Laboratory associated organizations rather than destroying the equipment and sending to the landfill.

Figure 7.1-16
This figure shows the amount of equipment in dollars that was excessed (reused) versus salvaged (destroyed) in FY2000.

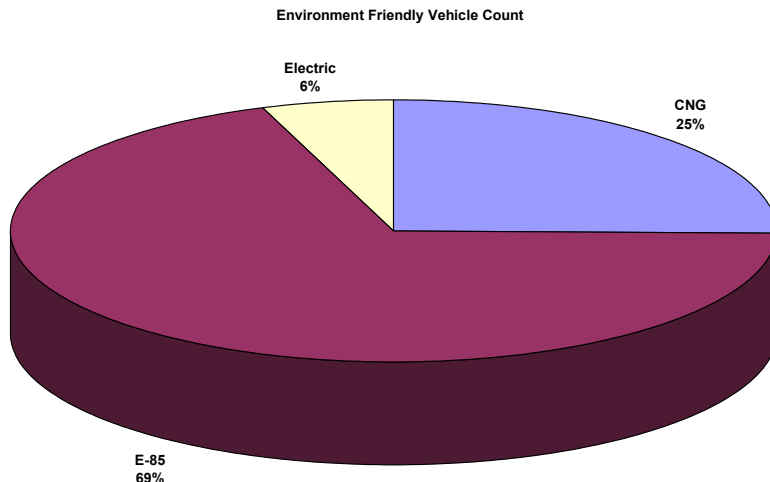
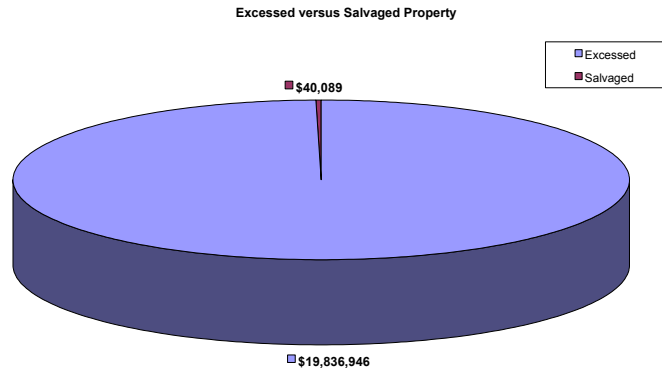


Figure 7.1-17
This figure shows the number of vehicles that are compressed natural gas (CNG) and E-85 (Ethanol and Gasoline) vehicles within BUS' GSA-leased fleet. Lastly, BUS also has 19 electric powered vehicles within our fleet. The use of alternative fuel vehicles should reduce pollution.

7.2 Customer, Supplier, Employee and Other Results

BUS Stakeholder satisfaction is demonstrated by UC and DOE Appendix F scores in our key process areas of Financial Management, Procurement, and Property Management. Voice of the Customer (VOC) results demonstrates customer satisfaction with our key processes as well as with our Distributed Business Teams. This stakeholder and customer input is used in BUS Strategic Planning and leads to action plans in the business plan.

Figures 7.2-1, 7.2-2, and 7.2-3 illustrate continually increasing stakeholder satisfaction. A score of 70-79 indicates we are “meeting” DOE and UC Stakeholder requirements. Our goal is to achieve a rating of greater than 90/ indicating BUS has far exceeded stakeholder expectations and is performing outstanding stewardship. We have consistently received a “far exceeds” requirements rating from 1995 – 2000.

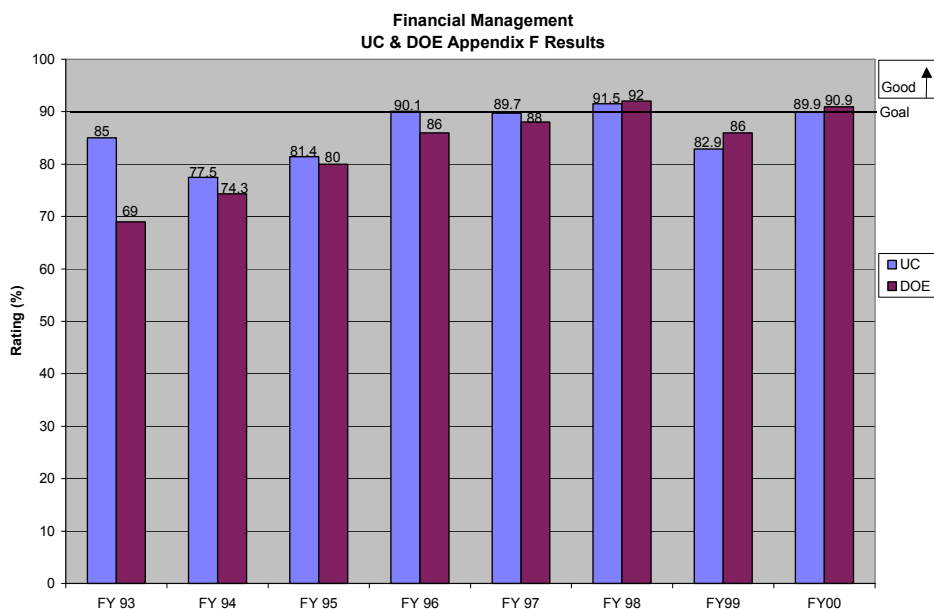
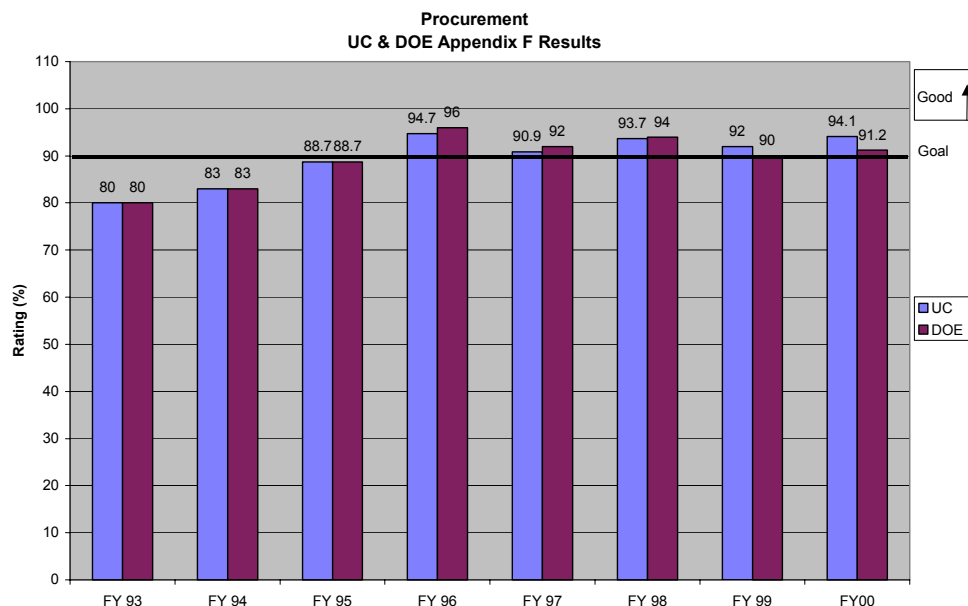


Figure 7.2-1
*DOE & UC
Assessment of BUS
Appendix F
Performance in the
area of Financial
Management shows
sustained stakeholder
satisfaction at or near
the outstanding level
since 1996.*

Figure 7.2-2
*DOE & UC
Assessment of BUS
Appendix F
Performance in the
area of Procurement
indicates extremely
high satisfaction with
BUS performance.*



**LOS ALAMOS NATIONAL LABORATORY
BUSINESS OPERATIONS DIVISION (BUS)**

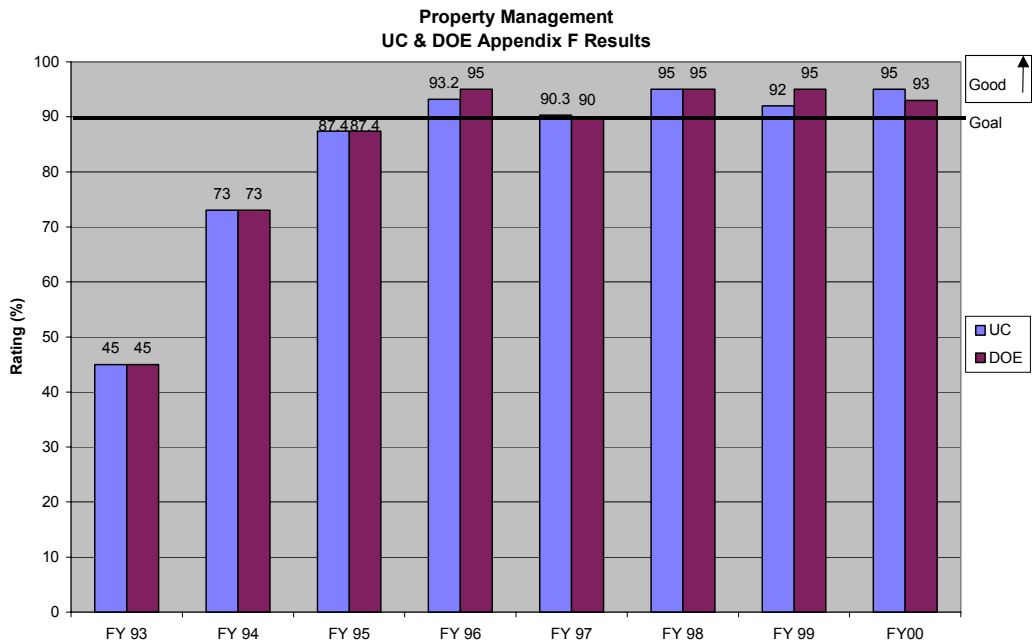


Figure 7.2-3
*DOE & UC
Assessment of
BUS Appendix F
Performance in
the area of
Property
Management
indicates nearly
flawless
stewardship and
management of
property.*

VOS and VOC survey satisfaction ratings from finance, property, and procurement enable BUS to identify year-over-year changes in internal Laboratory customer and external stakeholder customer satisfaction in response to BUS actions. A satisfaction score of 3 or greater indicates generally favorable internal or external customer satisfaction levels, with 5 being high satisfaction and 1 being low satisfaction.

Figures 7.2-4 – 7.2-8 illustrates DOE Voice of the Stakeholder (VOS) survey trends in the areas of communication, supportiveness, effectiveness of methods, knowledge and understanding, and quality of products and services. Satisfaction ratings are either sustained or statistically improved significantly. We believe this is a result of process improvement efforts and face time with our DOE counterparts, which has established a sense of partnering and shared goals.

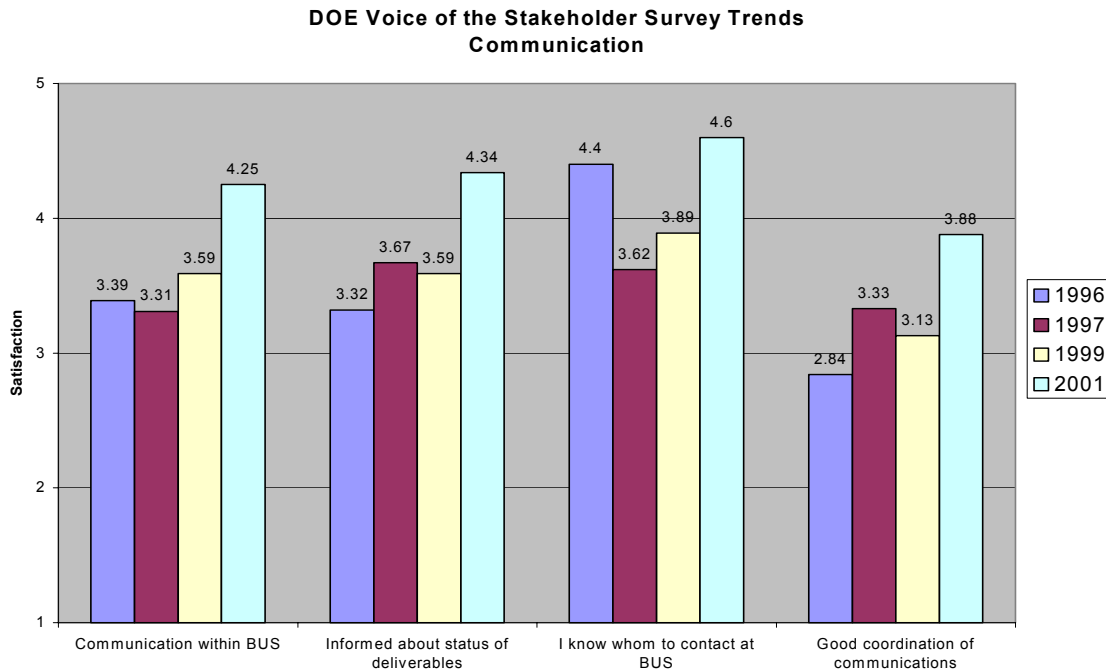


Figure 7.2-4 *DOE VOS survey trends show statistically significant improvement in levels of satisfaction in the area of communication.*

DOE Voice of the Stakeholder Survey Trends
Supportiveness

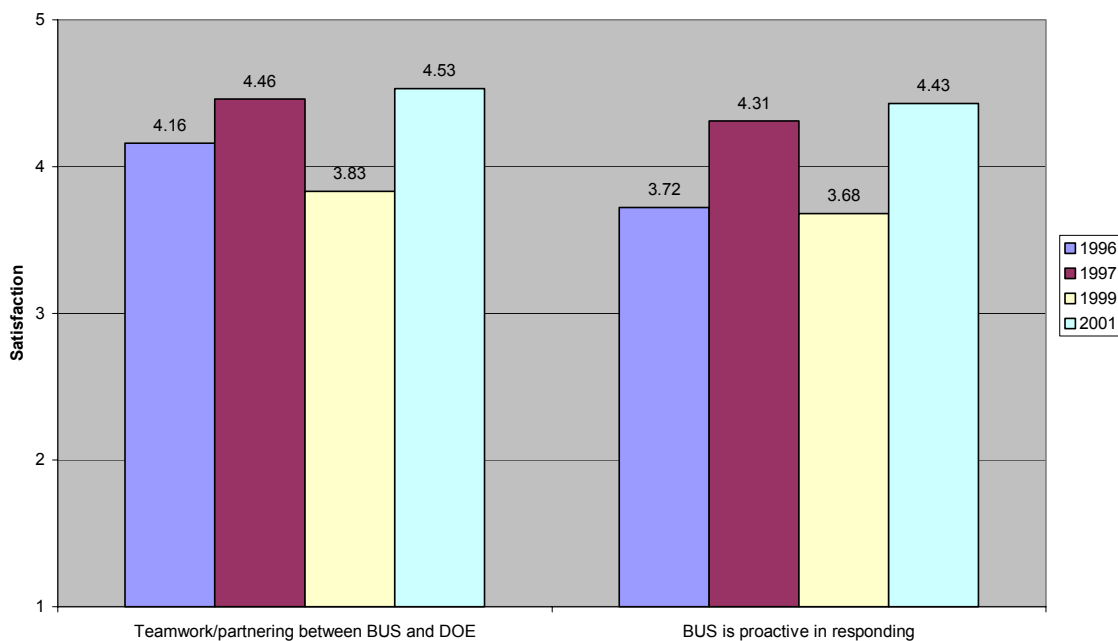


Figure 7.2-5 DOE VOS survey trends show statistically significant improvement in levels of satisfaction in the area of supportiveness.

DOE Voice of the Stakeholder Survey Trends
Effectiveness of Methods

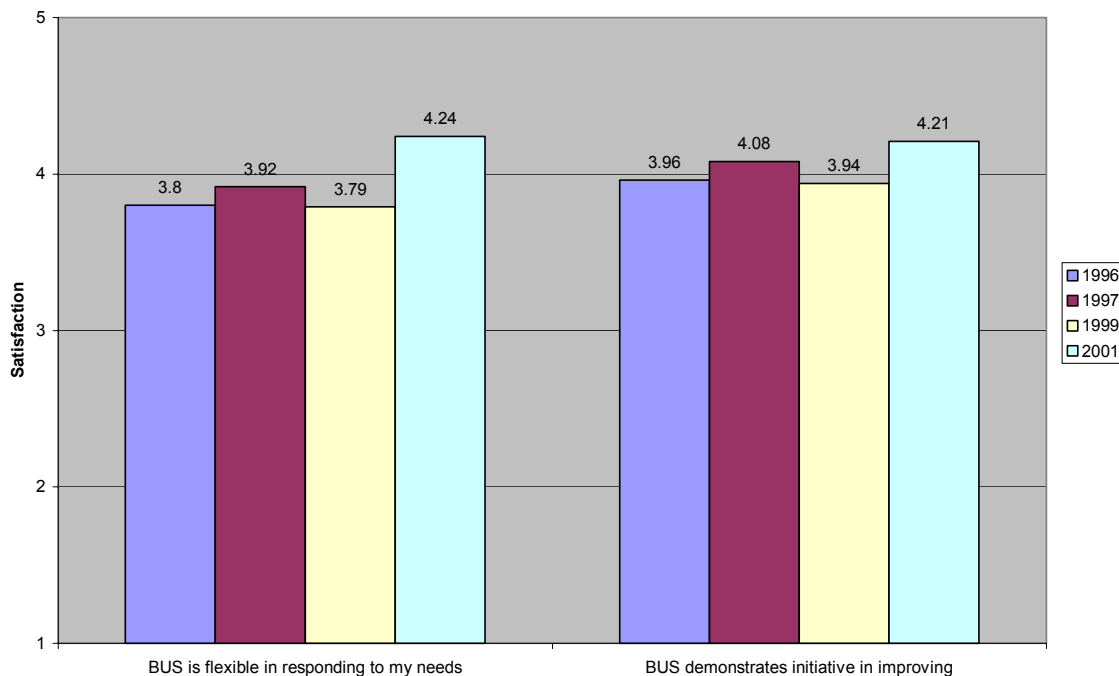


Figure 7.2-6 DOE VOS survey trends show sustained levels of satisfaction in the area of effectiveness of methods.

DOE Voice of the Stakeholder Survey Trends
Knowledge and Understanding

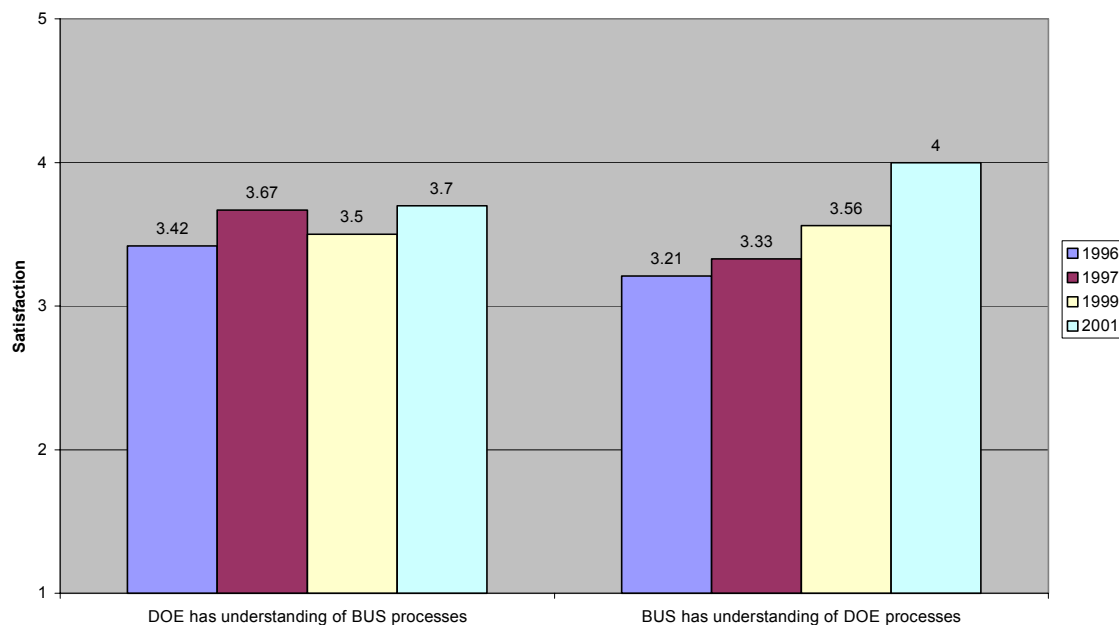


Figure 7.2-7 DOE VOS survey trends show sustained levels of satisfaction in the area of knowledge and understanding. Although our objective is to score greater than 3 in satisfaction (which we achieved) we have targeted the area of knowledge and understanding for improvement in 2001.

DOE Voice of the Stakeholder Survey Trends
Quality of Products and Services

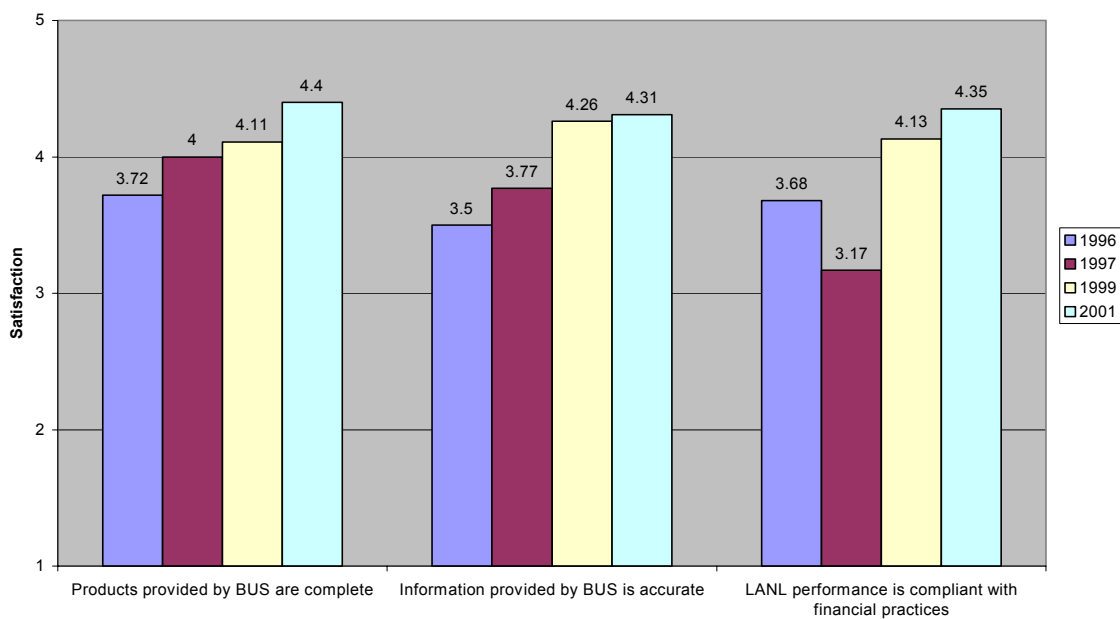


Figure 7.2-8 DOE VOS survey trends show sustained levels of satisfaction in the area of quality of products and services.

LOS ALAMOS NATIONAL LABORATORY BUSINESS OPERATIONS DIVISION (BUS)

Along with Appendix F requirements, VOC results are also identified for each key process and become action plans in the BUS Business Plan.

Figures 7.2-9 – 7.2-11 illustrate VOC survey trends for each of our key processes, Financial Management, Procurement, and Property Management, as well as with our Distributed Business Teams. Satisfaction ratings are either sustained or statistically improved significantly. A satisfaction score of 3 or greater indicates generally favorable customer satisfaction levels, with 5 being high and 1 being low satisfaction.

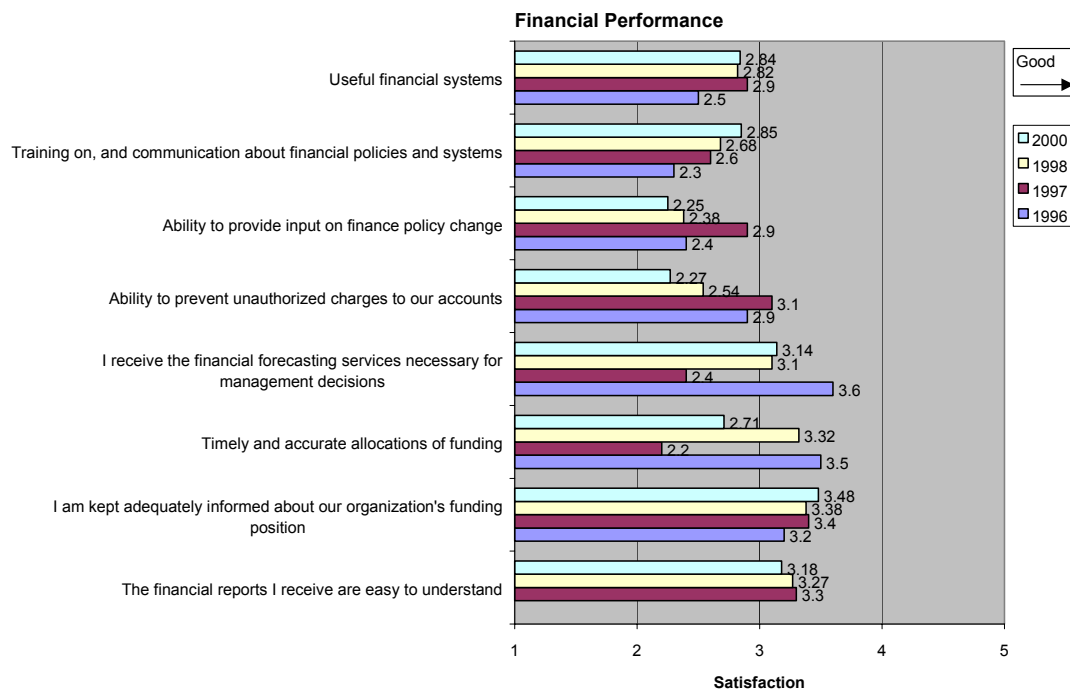


Figure 7.2-9
VOC results indicate sustained levels of customer satisfaction versus 1998 ratings in the key process area of Financial Management. Although we have been working on process improvements relative to the issues in this figure, progress is very slow, especially where systems changes are needed, due to budget and programmatic resource constraints.

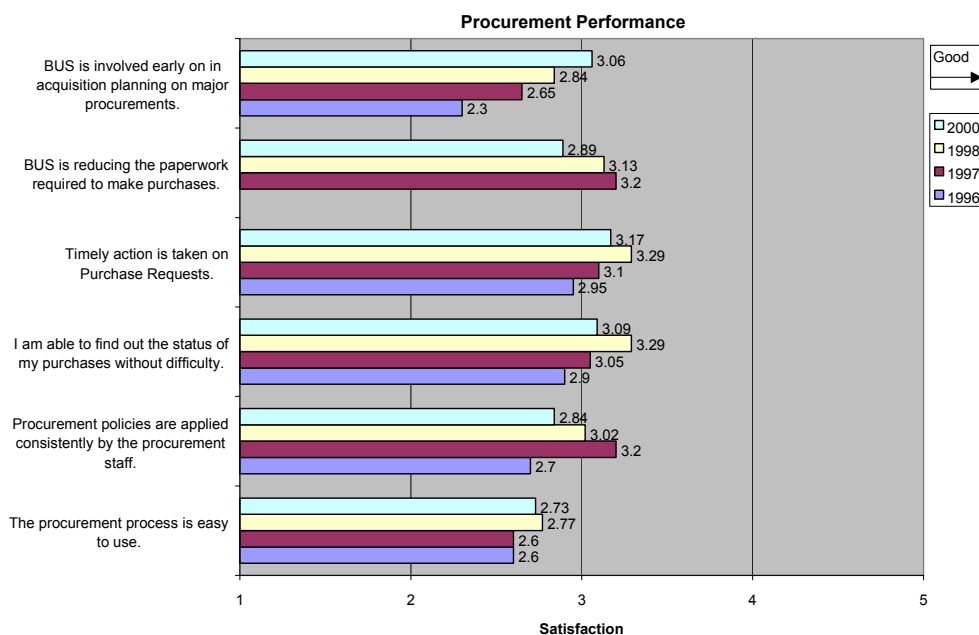


Figure 7.2-10
Although procurement customer satisfaction levels are sustained, the complexity and consistency of the procurement process continue to be areas for improvement. To improve the process, BUS just implemented an interactive procurement process flow diagram on our web-site. This allows customers to click on the process boxes and get help in completing each step. Thus, we expect customer perceptions to improve in 2001.

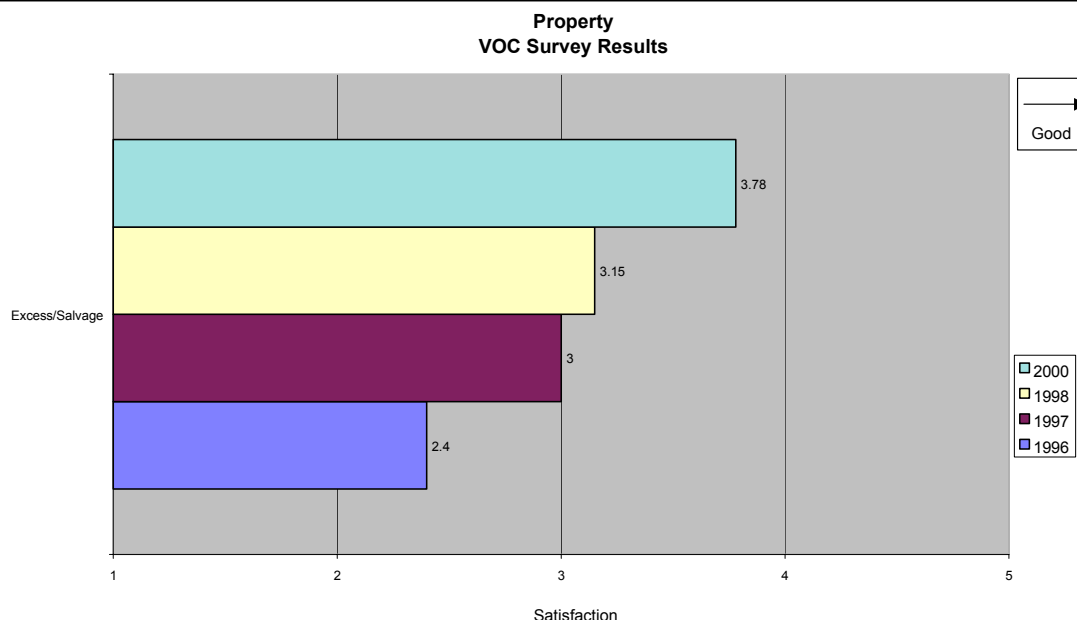


Figure 7.2-11 *We continue to maintain very high levels of customer satisfaction in the area of Property Management. The excess/salvage process rates nearly a 4 in satisfaction and satisfaction ratings continue to improve annually. Even so, BUS continues to work this issue to improve customer understanding of difference between excess and salvage and to raise awareness across LANL of the ways BUS can help reduce waste going to the landfill through excessing equipment.*

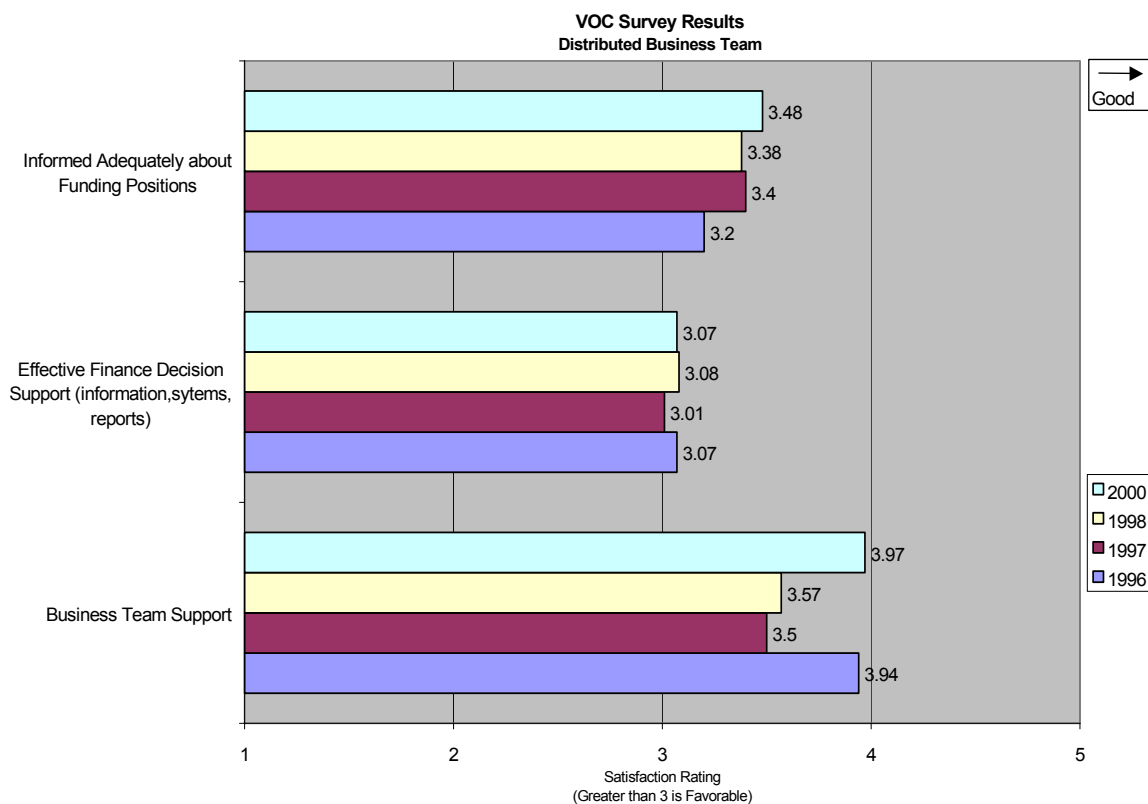


Figure 7.2-12 *All customer satisfaction ratings related to Distributed Business Teams are greater than 3 indicating very favorable customer satisfaction perceptions, with overall business team support and showing statistically significant improvement over 1998 (no survey in 1999).*

LOS ALAMOS NATIONAL LABORATORY BUSINESS OPERATIONS DIVISION (BUS)

Along with Appendix F requirements and VOC results, VOE results are also identified and become action plans in the BUS Business Plan. BUS seeks employee well-being and satisfaction data via the VOE survey results, and the Checkpoint/Worker Environment survey results. Year-over-year improvement in employee satisfaction scores on the VOE or increase in percent favorable on the Checkpoint/Worker Environment Survey are all measures of improved employee well-being and satisfaction. BUS believes that satisfied employees are more productive, safer, and more customer focused.

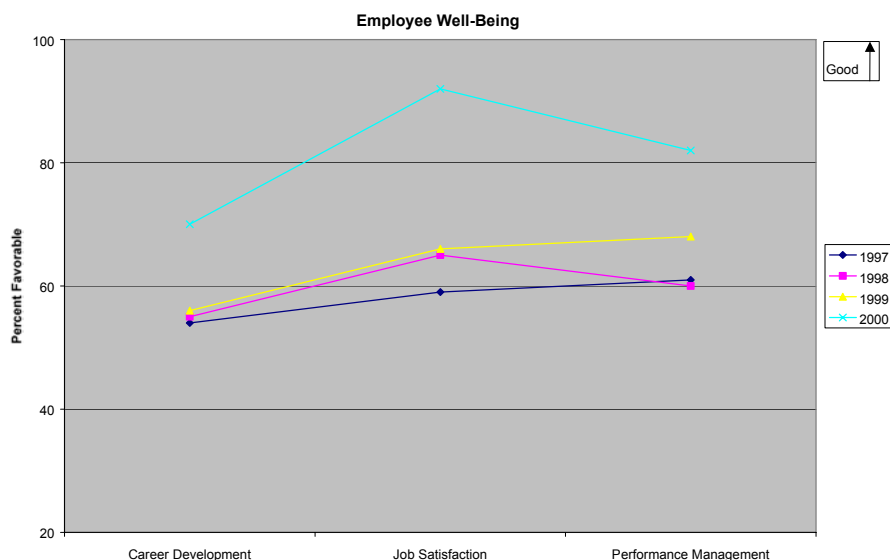


Figure 7.2-13
Checkpoint Survey/Worker Environment Survey results indicate that year-over-year BUS employees believe we are doing a better job in successfully providing opportunities which lead to greater employee well-being and satisfaction.

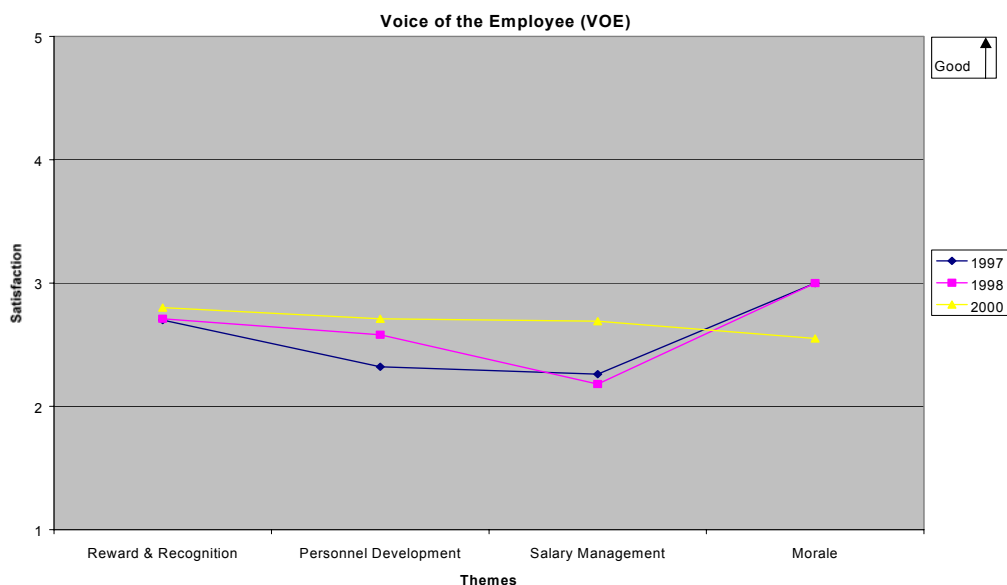


Figure 7.2-14 This figure shows VOE employee satisfaction in increasing year-over-year relative to themes, which are important to the BUS employees. Although morale is the least satisfying issue from our employee's perspective, we continue to work on the issue via action plans in the Business Plan under Goal 2 Employee Satisfaction and through encouraging two-way communication between BUS managers and employees via the Communication Station web-site.

**LOS ALAMOS NATIONAL LABORATORY
BUSINESS OPERATIONS DIVISION (BUS)**

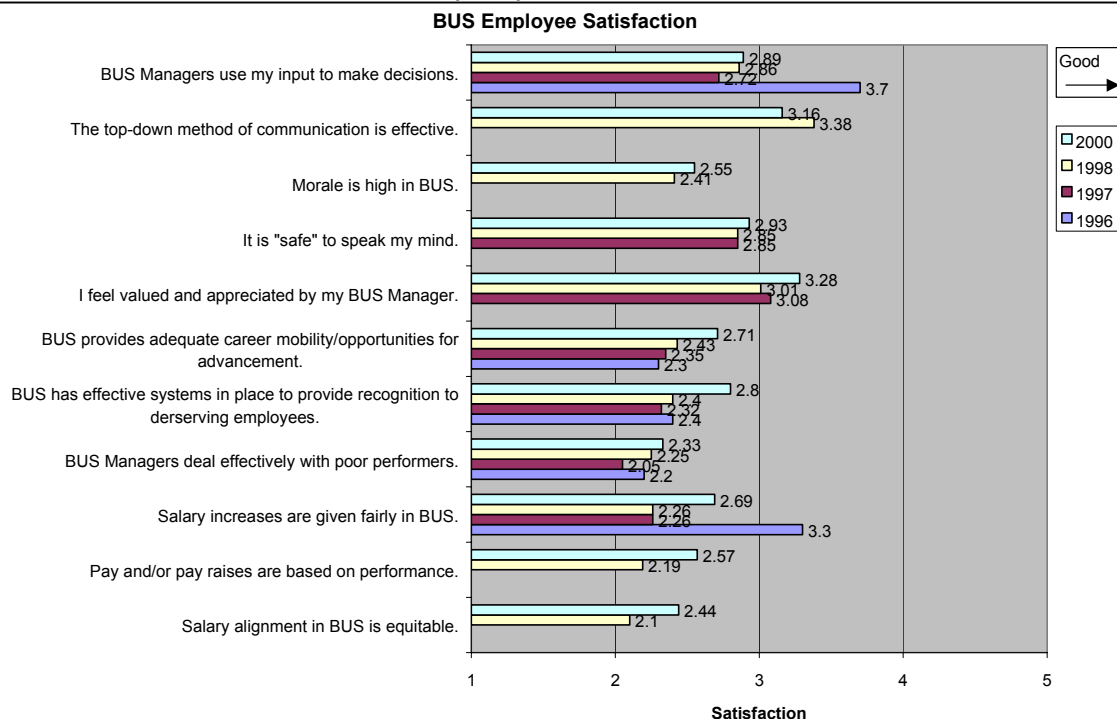


Figure 7.2-15 *VOE survey results indicate sustained and, in several cases, statistically improved levels of BUS employee satisfaction.*

BUS' key suppliers are JIT Vendors. BUS keeps track of JIT performance against the terms of each contract relative to the JIT process and the receipt of any JIT item. BUS also facilitates NNM supplier efforts in obtaining recycled-content items in the event that NNM suppliers do not offer recycled-content versions with competitive availability, competitive price, or requisite performance.

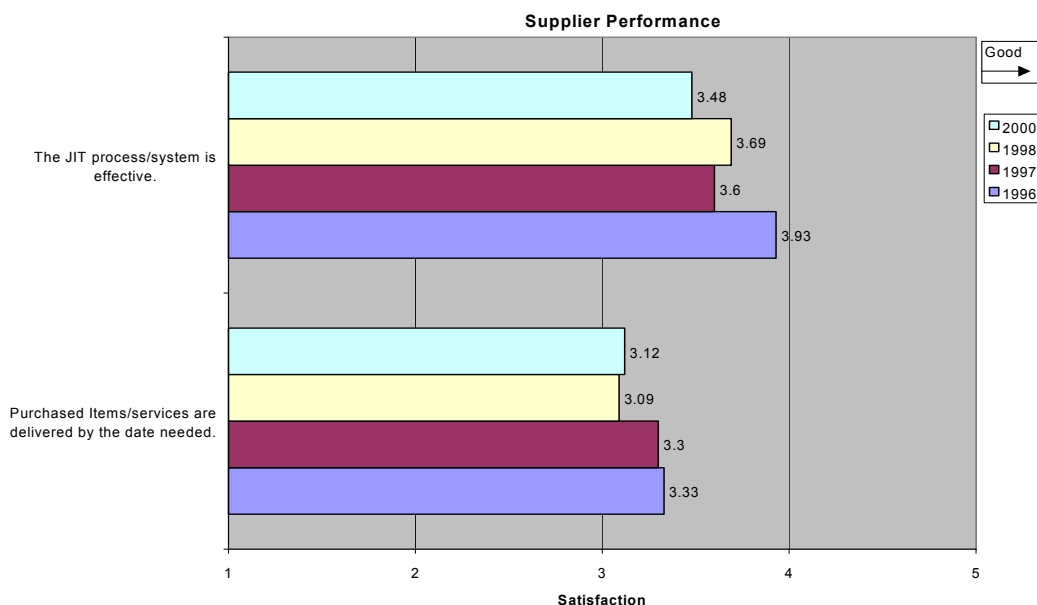


Figure 7.2-16 *Customer satisfaction ratings related to the supplier's performance in the areas of the supplier's process and receipt of purchased items is greater than 3 indicating very favorable customer satisfaction perceptions.*

LOS ALAMOS NATIONAL LABORATORY BUSINESS OPERATIONS DIVISION (BUS)

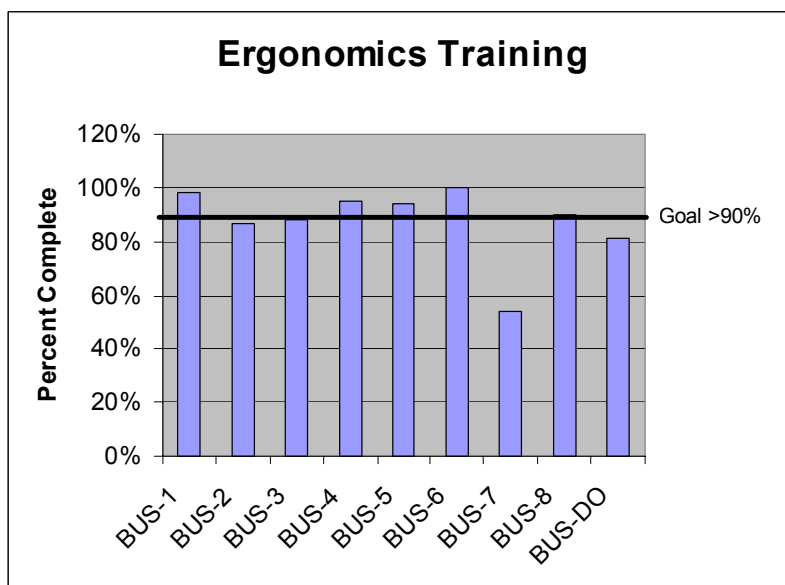
County	FY99	FY00	Change
Los Alamos	\$317,999,973	\$314,434,458	-1.1%
Mora	\$0	\$29,475	+294.8%
Rio Arriba	\$9,352,000	\$13,025,943	+39.3%
San Miguel	\$121	\$29,800	+245.3%
Sandoval	\$854,557	\$17,813,315	-32.2%
Santa Fe	\$23,101,364	\$17,813,315	-22.9%
Taos	\$391,934	\$564,099	+43.9%

Table 7.2-17

BUS procurement's SBO continues to play a pivotal role in the Laboratory's efforts to enhance economic development in NNM. This table shows a comparison of total procurement dollars spent with NNM businesses in FY99 and FY00 and reflects a significant increase in overall dollars spent with NNM

Figure 7.2-18

BUS requires all employees to attend ergonomic training sponsored by ESH division. We believe that a root cause of our TRI and LWC is lack of awareness and lack of willingness by BUS employees to take individual accountability for the safety behaviors. Since repetitive strain injuries are predominant in BUS, we believe ergonomic training will increase employee awareness levels and create a change in employee behaviors. This awareness has led our employees to report to ESH any minor pain or sensations which could eventually become more serious. This activity may actually explain why BUS TRI and LWC rates are not decreasing at the same rate as the Laboratory.



BUS Division Safety Questionnaire

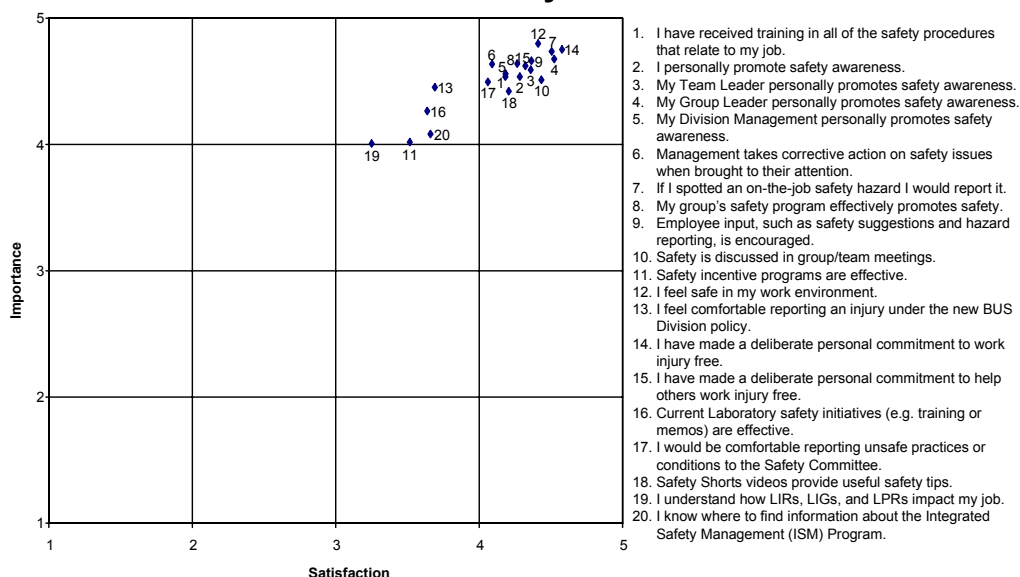


Figure 7.2-19

BUS conducts the employee safety survey every other year. The 1999 survey, seen in this figure, indicates very high levels of employee satisfaction related to safety awareness, safety training, and individual and management commitment to safety. Although all satisfaction ratings were greater than 3 (our goal), we initiated improvement teams to work on questions 19 and 11. As a result, BUS developed LIR summary pages to increase employee understanding of what an LIR is and what their responsibilities are. In addition, we developed Earn BUCS and Safety on-the-spot award programs (see category 5). When we conduct the 2001 survey, we expect to see satisfaction increase related to our improvement initiatives.

7.3 FINANCIAL RESULTS

In support of BUS' environmental vision, BUS process improvement teams have been working to find ways to reduce waste sent to the landfill through recycling as evidenced by results already shown in items 7.1 and 7.2. The following environmental improvement initiatives resulted not only in measurable cost savings, but they demonstrate the creativity and commitment of the BUS workforce toward achieving our environmental vision and objectives.

Figures 7.3-1 and 7.3-2 illustrate BUS was sending cardboard to the areas recycling center, when an employee suggested we try using the cardboard as packaging material, while we already use biodegradable peanuts for packing, use of cardboard saves BUS the cost of buying popcorn and enables BUS to recycle the cardboard.

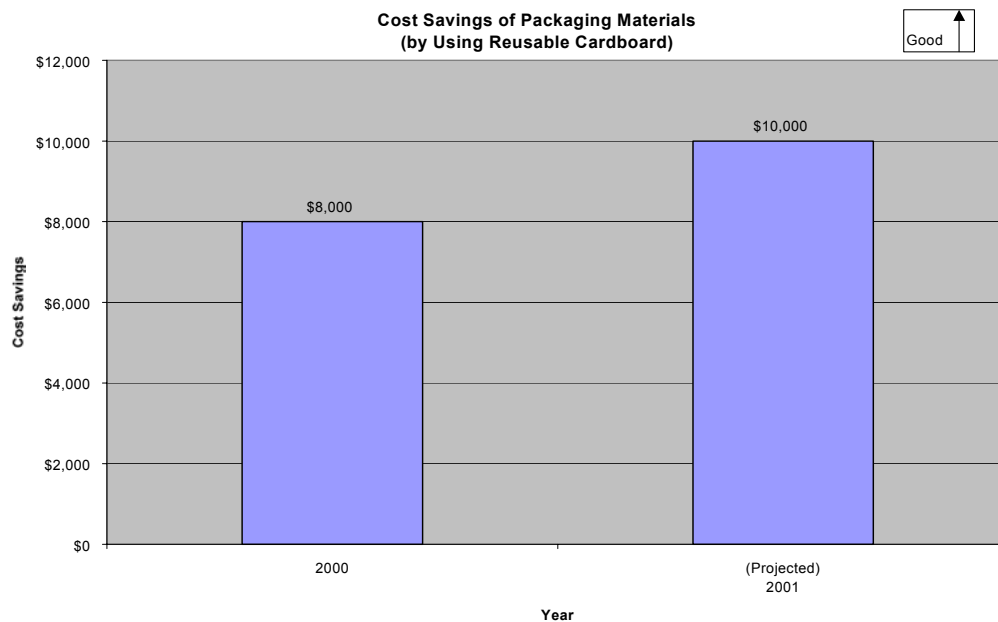


Figure 7-3.1 Cost savings of packaging materials by using reusable card.

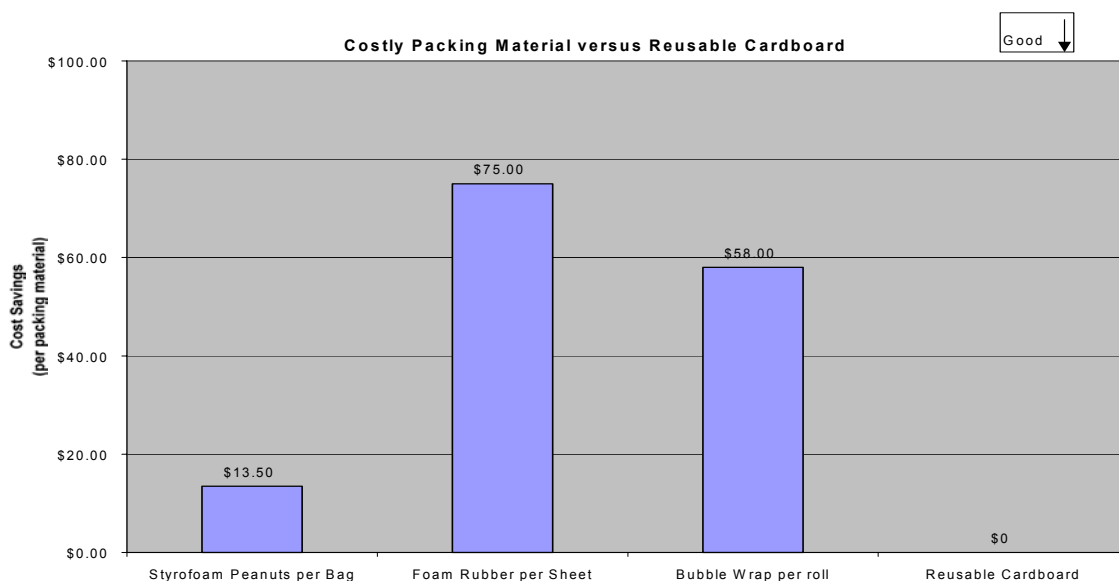


Figure 7-3.2 Costly packing material versus reusable cardboard.

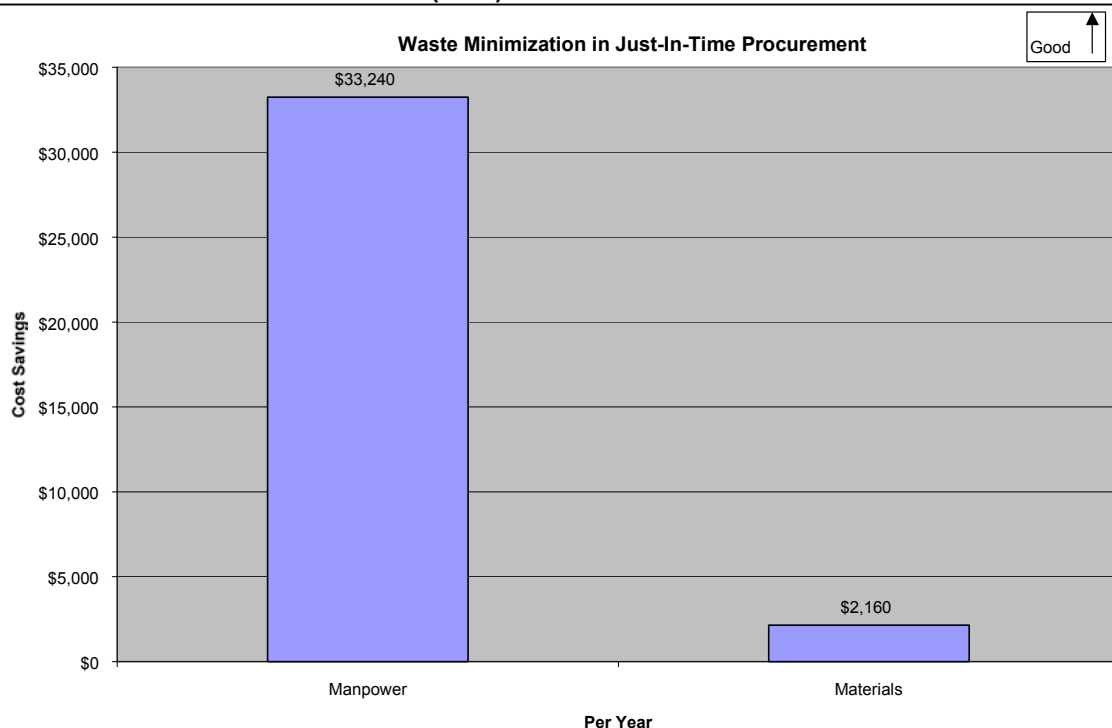


Figure 7.3-3 A team of BUS procurement employees noted that Boise Cascade shipped each individual line item of a single order in separate brown bags. This resulted in multiple packages to be delivered to the same requester, but also in multiple brown bags for each item. The CQI team worked with Boise Cascade to package all items from a single order in one brown bag. This waste minimization resulted in cost savings related to manpower and materials.

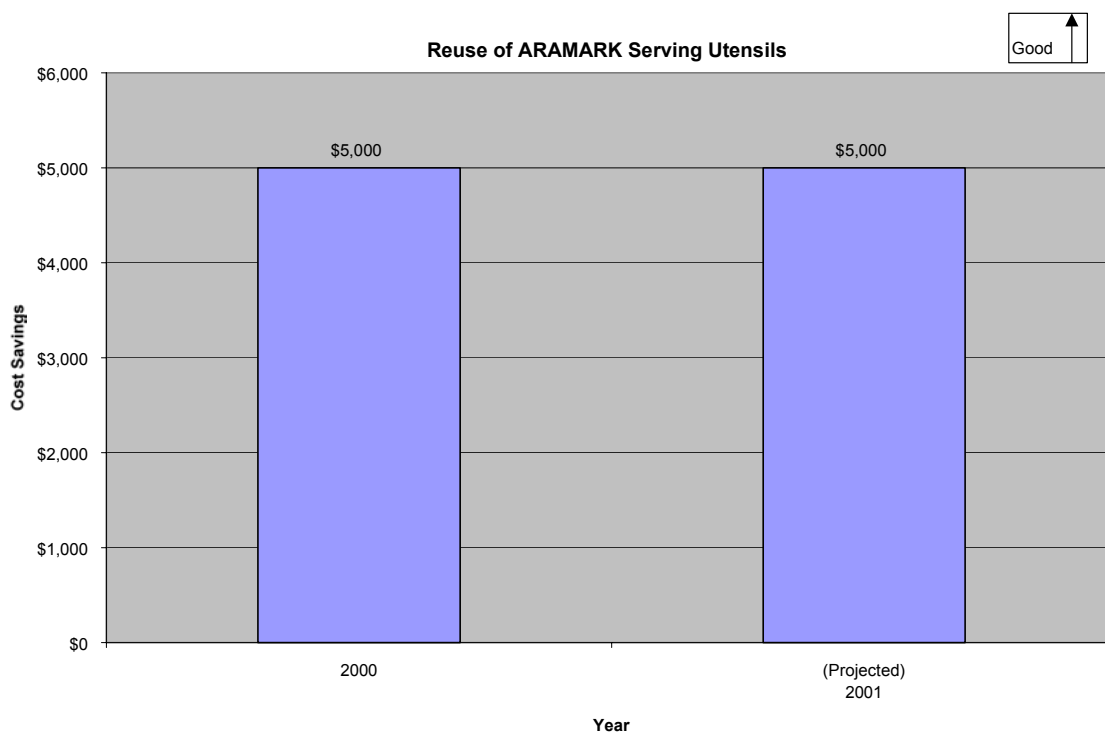


Figure 7.3-4 The BUS Mailroom CQI team worked with Aramark (our food supplier) to develop a method for recycling utensils used in catering, rather than throwing them away. Mailing the used utensils back to Aramark resulted in cost savings of \$5,000 per year.